



Update of Internet Only Manual (IOM), Pub. 100-04, Chapter 8 – Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims

MLN Matters Number: MM12079

Related Change Request (CR) Number: 12079

Related CR Release Date: August 6, 2021

Effective Date: September 7, 2021

Related CR Transmittal Number: R10640CP

Implementation Date: September 7, 2021

Provider Types Affected

This MLN Matters Article is for physicians, providers, and suppliers submitting End Stage Renal Disease (ESRD) claims to Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

This article informs you of updates to various sections of Chapter 8 of the Medicare Claims Processing Manual (Pub. 100-04) – *Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims*. Make sure your billing staff is aware of these updates.

Background

CR 12079 advises providers of updates to Chapter 8 of the Medicare Claims Processing Manual. There are no policy changes in this CR. CMS told you of many of these changes in prior communications.

Here is a quick summary of the key revisions to Chapter 8. You'll find the complete revised chapter as part of [CR 12079](#).

- **Section 10** – General Description of the ESRD Prospective Payment System (ESRD PPS)
Section 10.1 – Billing for Additional Treatments - The ESRD PPS provides a per treatment unit of payment. The per treatment unit of payment is the same base rate that Medicare pays for all dialysis treatment modalities that an ESRD facility furnishes. The policy allows for 3 PPS payments per week. When a beneficiary's plan of care requires more than three weekly dialysis treatments, whether Hemodialysis (HD) or daily

Peritoneal Dialysis (PD), Medicare applies claim edits to ensure that Medicare payment on the monthly claim is consistent with the 3-times weekly dialysis treatment payment limit. Thus, for a 30-day month, payment is limited to 13 treatments, and for a 31-day month, payment is limited to 14 treatments, with exceptions made for medical justification.

ESRD facilities billing for more than 13 or 14 treatments per month must provide medical justification to their MAC to receive payment for the additional treatments. Additional treatments you provide without meeting the medical justification we require must include the modifier CG on the claim line. This modifier indicates that the facility attests the additional treatments don't meet medical justification requirements. Additional treatments billed without medical justification don't receive payment. Medicare doesn't consider non-covered treatments in the outlier payment calculation.

This policy doesn't apply for training and retraining treatments billed within the allowable limits.

- **Section 20** – Calculation of the ESRD PPS Per Treatment Payment Amount
Section 20.2 – Pediatric Payment Model for ESRD PPS - The pediatric payment model applies to all dialysis patients that are under the age of 18. The model uses the ESRD PPS base rate applicable to adult dialysis patients which we then adjust by separate adjusters based on two age groups (<13, 13-17), and dialysis modality (HD, PD).
- **Section 40** – Acute Kidney Injury (AKI) Claims
CMS updated this chapter to show that effective January 1, 2017, ESRD facilities, both hospital based and freestanding are able to furnish dialysis to AKI patients and receive payment under the ESRD PPS.
- **Section 60.4.1** – Effective January 1, 2020, we discontinued the Erythropoietin Stimulating Agents (ESAs) Monitoring Policy (EMP) under the ESRD PPS. Prescribing practitioners should continue to prescribe ESAs in accordance with ESA dosing guidelines and ESRD facilities should continue to report what they furnish. The type of bill 72X is no longer subject to dose reductions or ESA dose limitations. ESRD facilities no longer have to report modifiers GS, ED, or EE.

More Information

We issued [CR 12079](#) to your MAC as the official instruction for this change. The manual revisions are part of the CR.

For more information, contact your [MAC](#).

Document History

Date of Change	Description
August 9, 2021	Initial article released.

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