



Implementation of the Capital Related Assets (CRA) Adjustment for the Transitional Add-on Payment Adjustment for New and Innovative Equipment and Supplies (TPNIES) Under the End Stage Renal Disease Prospective Payment System (ESRD PPS)

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Implementation Date: January 3, 2022

Note: We revised the Article due to an updated CR that clarified language to present the policy as described in the regulation and to update the sequence of events in the example calculation. This correction clarifies that the offset adjustment is subtracted from the per treatment amount before the application of the 65% adjustment. The changes are in dark red font on pages 1 and 2. We also changed the CR transmittal date, transmittal number and the link to the transmittal. All other information is the same.

Provider Types Affected

This MLN Matters Article is for End-Stage Renal Disease (ESRD) facilities that submit claims to Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

Make sure your billing staff knows to report CRA for TPNIES using:

- The AX modifier
- Relevant revenue codes

Background

Beginning January 1, 2021, CMS expanded the TPNIES policy to include home dialysis machines when used in the home for a single patient. Beginning January 1, 2022, we pay ESRD facilities the CRA adjustment for TPNIES.

For CRA for TPNIES only, we include an offset adjustment to offset the costs already paid for dialysis machines in the ESRD PPS bundle. We annually update the offset adjustment amount by the ESRD bundled market basket percentage increase factor minus the productivity adjustment factor, effective January 1, 2022.

We base the CRA adjustment for TPNIES on 65% of the MAC-determined price **reduced by the offset adjustment amount described above**. MACs, on our behalf, determine prices for new and innovative renal dialysis equipment and supplies. This includes certain CRA for home dialysis machines that meet the TPNIES eligibility criteria. The MACs set these prices using verifiable information from the following sources:

- Invoice amount, facility charges for item, discounts, allowances, and rebates
- Price established for the item by other MACs and the information used to determine that price
- Amounts determined by other payers and the information used to determine those payment amounts
- Charges and payment amounts required for other equipment and supplies that may be comparable or otherwise relevant

We pay the CRA adjustment for TPNIES for 2 calendar years. Once we pay it, we won't modify the ESRD PPS base rate, and the new CRA adjustment for a home dialysis machine won't be an eligible outlier service (as provided in [42 CFR 413.237](#)).

CRA for TPNIES

MACs will calculate the:

- Annual allowance and
- Per-treatment amount for CRAs including home dialysis machines used in the home for a single patient, by dividing **the annual allowance by the expected number of treatments**. **The expected number of treatments is always 156 per year.**

CMS claims processing systems will:

- **Assign an amount to value code QH (Total TPNIES CRA amount) based on the per treatment amount and the number of treatments on the claim**
- **Calculate an adjusted per treatment amount by dividing QH by the number of administered treatments**
- **Subtract the offset amount from the per treatment amount**
- **Multiply the pre-adjusted per treatment amount by 65%**
- **Calculate the final per treatment amount**

These instructions apply when you report a HCPCS code on the TPNIES CRA list with the AX modifier (item furnished in conjunction with dialysis services) and 1 of the following revenue codes:

- 0823 - Hemodialysis Home Equipment
- 0833 - Peritoneal Home Equipment
- 0843 - Continuous Ambulatory Peritoneal Dialysis (CAPD) Home Equipment
- 0853 - Continuous Cycling Peritoneal Dialysis (CCPD) Home Equipment
- 0889 - Other Miscellaneous Dialysis (to be used for ultrafiltration home equipment)

We limit the number of dialysis treatments for the month used in this calculation to the 13 or 14

allowable monthly treatments deemed medically necessary.

We'll pay for dialysis treatments for more than 13 to 14 per month (3 treatments per week) if MACs decided they're reasonable and necessary. However, treatments for more than 13 to 14 per month won't be considered for separate pricing for CRA for TPNIES. ESRD facilities shouldn't bill separate line items for CRA for TPNIES for more than 13 or 14 treatments per month.

The adjusted CRA for TPNIES per treatment amount will equal the adjusted CRA for TPNIES per treatment amount that's calculated for 13 treatments per month, regardless of the number of treatments given per month. MACs won't allow CRA for TPNIES for more than 156 treatments per calendar year.

CRA for TPNIES doesn't apply to the per-treatment payment amount paid to ESRD facilities for providing dialysis to individuals with Acute Kidney Injury (AKI).

See [CR 12347](#) for calculations and reporting examples.

We'll provide additional instructions for ESRD facilities and MACs about the TPNIES CRA policy, manual pricing, and the per-treatment adjustment in the ESRD PPS January 2022 update CR and subsequent quarterly updates.

More Information

We issued [CR 12347](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
August 2, 2022	We revised the Article due to an updated CR that clarified language to present the policy as described in the regulation and to update the sequence of events in the example calculation. This correction clarifies that the offset adjustment is subtracted from the per treatment amount before the application of the 65% adjustment. The changes are in dark red font on pages 1 and 2. We also changed the CR transmittal date, transmittal number and the link to the transmittal. All other information is the same.
December 21, 2021	We revised the Article due to an updated CR that clarified language to the policy section that Capital Related Assets (CRA) reported on the claim cannot exceed the number of treatments billed. That change is in dark red font on pages 2 and 3 in this Article. We also change the CR transmittal date, transmittal number and the link to the transmittal. All other information is unchanged.
August 12, 2021	Initial article released.

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