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

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 use the AX modifier and relevant revenue codes to report CRA for TPNIES.

Note: Applying the CY 2022 CRA adjustment for TPNIES discussed in this Article to any new technologies is subject to rulemaking. CMS published a Notice of Proposed Rulemaking (CMS-1749-P) on July 9, 2021. Public comments on this proposed rule are due by August 31, 2021. We’ll consider public comments, before issuing a final rule.

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’ll pay ESRD facilities the CRA adjustment for TPNIES.

We base the CRA adjustment for TPNIES on 65% of the MAC-determined price. MACs, on behalf of CMS, 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 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 Section 413.237).

**CRA for TPNIES**

MACs will calculate the annual allowance and the pre-adjusted per-treatment amount for CRAs including home dialysis machines used in the home for a single patient. Under the proposed rule, we’ll reduce the pre-adjusted per-treatment amount by an estimated average per-treatment adjustment to account for the costs already paid through the ESRD PPS base rate.

These instructions apply when you report a HCPCS code on the TPNIES CRA list with the AX modifier (item provided in conjunction with dialysis facilities) 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)

The CRA for TPNIES adjustment applies to maintenance dialysis treatments within the 3 times per week limit. We limit the number of dialysis treatments for the month used in this calculation to the 13 or 14 allowable treatments deemed medically necessary. We’ll pay for treatments exceeding 13 or 14 per month if MACs determine they’re reasonable and necessary.

Providers shouldn’t bill separate line items for CRA for TPNIES more than 13 or 14 treatments per month.

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, contact your [MAC](#).

### Document History

<table>
<thead>
<tr>
<th>Date of Change</th>
<th>Description</th>
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<tbody>
<tr>
<td>August 12, 2021</td>
<td>Initial article released.</td>
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