



ESRD Prospective Payment System: July 2025 Update

Related CR Release Date: June 9, 2025	MLN Matters Number: MM14089
Effective Date: July 1, 2025	Related Change Request (CR) Number: CR 14089
Implementation Date: July 7, 2025	Related CR Transmittal Number: R13241CP
Related CR Title: Quarterly Update to the End Stage Renal Disease Prospective Payment System (ESRD PPS)	

Affected Providers

- ESRD facilities
- Other providers billing Medicare Administrative Contractors (MACs) for ESRD services

Action Needed

Make your billing staff aware of changes to the outlier services list under the ESRD Prospective Payment System (PPS) starting July 1, 2025:

- Adding and removing certain renal dialysis items and services
- Updating the average unit cost for renal dialysis drugs that are oral equivalents to injectable drugs
- Revising the average dispensing fee of the National Drug Codes (NDCs) qualifying for outlier payment to \$0.56 per NDC per month

Background

The ESRD PPS recognizes high-cost patients, and CMS includes a high-cost outlier policy and payment calculation method at [42 CFR 413.237](#) for ESRD outlier services under the ESRD PPS bundle. The policy includes the following renal dialysis services that were or would've been separately billable under Medicare Part B before January 1, 2011:

- Drugs and biological products
- Laboratory tests
- Medical or surgical supplies, including syringes, used to administer renal dialysis drugs and biological products

In addition, the policy includes the following renal dialysis services:

- Equipment and supplies except for capital-related assets that are home dialysis machines that receive the transitional add-on payment adjustment after the payment period has ended
- Drugs and biological products, which were separately billable under Medicare Part D before January 1, 2011, including renal dialysis oral-only drugs
- Drugs and biological products that are composite rate services, as defined at [42 CFR 413.171](#)

Starting in CY 2011, the ESRD facility must identify the actual ESRD outlier services they provide to the patient by line item on the monthly claim to determine eligibility for an outlier payment.

Key Updates

Starting July 1, 2025, we're making the following routine changes to the list of outlier services found in [Attachment A](#):

- Updating the most recent average unit cost for renal dialysis drugs that are oral equivalents to injectable drugs based on the most recent prices found in the Medicare prescription drug plan finder
- Adding and removing any renal dialysis items and services from the list of outlier services as necessary
- Revising the average dispensing fee of the NDCs qualifying for outlier to \$0.56 per NDC per month for claims with a date of service on or after July 1, 2025

We're not updating the consolidated billing (CB) list in CR 14089. You can find the most recent CB list for the ESRD PPS in MLN Matters® article [MM13686](#).

More Information

We issued CR 14089 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
June 9, 2025	Initial article released.

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