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| <b>CMS Manual System</b>         | <b>Department of Health &amp; Human Services (DHHS)</b>   |
| <b>Pub 100-19 Demonstrations</b> | <b>Centers for Medicare &amp; Medicaid Services (CMS)</b> |
| <b>Transmittal 12020</b>         | <b>Date: May 4, 2023</b>                                  |
|                                  | <b>Change Request 13180</b>                               |

**SUBJECT: Update the Process for Home Dialysis Payment Adjustment (HDPa) and Performance Payment Adjustment (PPA) for End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model Part A claims**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update the current process through which the End-Stage Renal Disease (ESRD) Treatment Choices (ETC) model's payment adjustments, home dialysis payment adjustment (HDPa) and performance payment adjustment (PPA), are adjusted to part A claims.

**EFFECTIVE DATE: October 1, 2023**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: October 2, 2023**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

| <b>R/N/D</b> | <b>CHAPTER / SECTION / SUBSECTION / TITLE</b> |
|--------------|---|
| N/A          | N/A   |

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Demonstrations**

# Attachment - Demonstrations

|             |                    |                   |                       |
|-------------|--------------------|-------------------|-----------------------|
| Pub. 100-19 | Transmittal: 12020 | Date: May 4, 2023 | Change Request: 13180 |
|-------------|--------------------|-------------------|-----------------------|

**SUBJECT: Update the Process for Home Dialysis Payment Adjustment (HDPA) and Performance Payment Adjustment (PPA) for End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model Part A claims**

**EFFECTIVE DATE: October 1, 2023**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: October 2, 2023**

## I. GENERAL INFORMATION

**A. Background:** The purpose of this Change Request (CR) is to address the incorrect current process for adjusting ESRD Treatment Choices (ETC) model payment adjustments.

**B. Policy:** The ETC Model has two payment adjustments:

- **Home Dialysis Payment Adjustment (HDPA):** is an upward adjustment on home dialysis and home dialysis related claims with claim service dates between January 1, 2021 and December 31, 2023. This adjustment is based on zip codes and was implemented in January 2021 through CR 11390 and updated timeline through CR 12038.
- **Performance Payment Adjustment (PPA):** is an upward or downward payment adjustment made on all dialysis and dialysis-related claims between July 1, 2022 and June 30, 2027. This is dependent on participants’ performance on home dialysis rates and transplant rates and applies to both participating ESRD facilities and Managing Clinicians.
  - The PPA for ESRD Facilities is an adjustment through the ESRD Prospective Payment System (PPS).
  - This was implemented for Facilities or Part A claims through CR 12492.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

| Number  | Requirement   | Responsibility |   |             |             |                                  |             |             |             |       |
|---------|---|----------------|---|-------------|-------------|----------------------------------|-------------|-------------|-------------|-------|
|         |   | A/B<br>MAC     |   |             | D<br>M<br>E | Shared-<br>System<br>Maintainers |             |             |             | Other |
|         |   | A              | B | H<br>H<br>H |             | F<br>I<br>S<br>S                 | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F |       |
| 13180.1 | Contractors shall remove the current HDPA calculation logic associated with HDPA positive payment adjustment. |                |   |             |             | X                                |             |             |             |       |
| 13180.2 | Contractors shall create a new field to store the HDPA  |                |   |             |             | X                                |             |             |             |       |

| Number    | Requirement   | Responsibility |   |             |                            |                                  |             |             |             | Other       |
|-----------|---|----------------|---|-------------|----------------------------|----------------------------------|-------------|-------------|-------------|-------------|
|           |   | A/B<br>MAC     |   |             | D<br>M<br>E<br>M<br>A<br>C | Shared-<br>System<br>Maintainers |             |             |             |             |
|           |   | A              | B | H<br>H<br>H |                            | F<br>I<br>S<br>S                 | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F |             |
|           | <p>payment amount from the ESRD Pricer for claims after July 1st, 2022.</p> <ul style="list-style-type: none"> <li>HDPA Amount</li> </ul> <p>Note: Prior to July 1st, 2022 when PPA was implemented, the claims only had HDPA; therefore, please use the previous process for calculating the HDPA.</p> |                |   |             |                            |                                  |             |             |             |             |
| 13180.3   | Contractors shall accept the HDPA payment amount passed from ESRD Pricer and display it only.   |                |   |             |                            | X                                |             |             |             |             |
| 13180.4   | Contractors shall modify the monthly report to show HDPA payment as a positive adjustment amount (Value Code QB).   |                |   |             |                            | X                                |             |             |             |             |
| 13180.4.1 | Contractors shall modify the monthly report to show a positive PPA percentage adjustment amount as a positive PPA amount or a negative PPA percentage adjustment amount as a negative PPA amount (Value Code QJ).   |                |   |             |                            | X                                |             |             |             |             |
| 13180.4.2 | Contractors shall pass a positive PPA percentage adjustment amount as a positive amount and a negative PPA percentage adjustment amount as a negative amount to the IDR (Value Code QJ).  |                |   |             |                            | X                                |             |             |             |             |
| 13180.5   | Contractors shall update the calculation for the PPA amount to use the daily rate for revenue codes 841 and/or 851 prior to passing it down to FISS.  |                |   |             |                            |                                  |             |             |             | ESRD Pricer |
| 13180.6   | <p>FISS shall create a utility to adjust claims with the following criteria:</p> <ul style="list-style-type: none"> <li>TOB 72x</li> <li>Date of service on or after July 1st, 2022</li> <li>DEMO-CD-94-ETC-FLAG = P (PPA only) and/OR B (HDPA and PPA both)</li> <li>Demo code 94</li> </ul>           |                |   |             |                            | X                                |             |             |             |             |

### III. PROVIDER EDUCATION TABLE

| Number  | Requirement   | Responsibility |   |             |             |                  |
|---------|---|----------------|---|-------------|-------------|------------------|
|         |   | A/B<br>MAC     |   |             | D<br>M<br>E | C<br>E<br>D<br>I |
|         |   | A              | B | H<br>H<br>H |             |                  |
| 13180.7 | Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the “MLN Connects” listserv to get MLN content notifications. You don’t need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above. | X              | X |             |             |                  |

### IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements:** N/A

*"Should" denotes a recommendation.*

| X-Ref Requirement Number | Recommendations or other supporting information: |
|--------------------------|--|
|                          |  |

**Section B: All other recommendations and supporting information:** N/A

### V. CONTACTS

**Pre-Implementation Contact(s):** Manasa Peddy, manasa.peddy@cms.hhs.gov , Jonathan Rudy, jonathan.rudy@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

### VI. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**

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immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 0**