

MLN Matters Number: MM6216 **Revised** Related Change Request (CR) #: 6216

Related CR Release Date: December 12, 2008 Effective Date: January 1, 2009

Related CR Transmittal #: R98BP and R1648CP Implementation Date: January 5, 2009

Implementation of Changes in End Stage Renal Disease (ESRD) Payment for Calendar Year (CY) 2009

Note: This article was revised on April 6, 2018, to update Web addresses. All other information remains the same.

Provider Types Affected

Physicians, providers, and suppliers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs) and/or Medicare Administrative Contractors (MACs)) for ESRD services provided to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

This article is based on Change Request (CR) 6216 which provides payment updates for ESRD facilities for Calendar Year (CY) 2009.



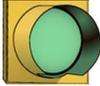
CAUTION – What You Need to Know

The Medicare Improvements for Patient and Providers Act of 2008 (MIPPA; Section 153) amended the Social Security Act (Section 1881(b)(12)) to require a 1 percent increase to the End Stage Renal Disease (ESRD) composite payment rate and that hospital-based dialysis facilities are paid the same composite payment rate as independent dialysis facilities. Other changes include: 1) an update to the drug add-on adjustment to the composite payment rate; 2) an update to the wage index adjustments to reflect current wage data, including a revised budget neutrality adjustment; and 3) a reduction in the wage index floor.

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There is a zero growth update to the drug add-on adjustment. Therefore, the per treatment drug add-on amount of \$20.33 will remain from CY 2008. It is necessary to adjust the drug add-on adjustment to offset the 1 percent increase in the composite payment rate to ensure that the per treatment drug add-on amount stays \$20.33. The total drug add-on adjustment for CY 2009 is 15.2 percent.



GO – What You Need to Do

See the Background and Additional Information Sections of this article for further details regarding these changes.

Background

Upon implementation of CR 6216, the following changes will be applied to all Medicare-certified ESRD facilities:

- An update to the base composite payment rate with a 1 percent increase resulting with a base rate of \$133.81 for both hospital-based and independent renal dialysis facilities;
- An update to the drug add-on adjustment to the composite payment rate of 15.2 percent;
- An update to the wage index adjustments to reflect the current wage data;
- A reduction in the wage index floor from 0.7500 to 0.7000, then after applying a budget neutrality factor of 1.056689, the wage index floor is 0.7397; and
- The wage index is 100 percent CBSA-based. The wage index tables are located in addendums G and H with in the Physician Fee Schedule's final rule (i.e., CMS-1403-FC) published on November 19, 2008 and which is available at <http://www.cms.gov/Center/Provider-Type/Physician-Center.html>.

Note: The ESRD payment changes will be effective January 1, 2009.

In addition to the above rate changes, the Medicare Benefit Policy Manual and Medicare Claims Processing Manual are amended by CR 6216 to reflect the payment changes for Medicare-certified ESRD facilities.

Additional Information

The official instruction, CR 6216, issued to your FI or MAC regarding this change was in two transmittals, one that revises the Medicare Claims Processing Manual and one that revises the Medicare Benefit Policy Manual. These transmittals may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1648CP.pdf> and

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<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R98BP.pdf>, respectively.

See MLN Matters® MM7064 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7064.pdf>, regarding where to get information on the new ESRD PPS and consolidated billing for limited Part B services.

If you have any questions, please contact your FI or MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html>.

Document History

- December 14, 2008 – Initial article released.
- April 6, 2018 – The article is revised to update Web addresses. All other information remains the same.

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