CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2949	**Date: May 7, 2014**
	Change Request 8698

NOTE: This Transmittal is no longer sensitive and is being re-communicated November 4, 2014. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

Transmittal 2924, dated April 7, 2014, is being rescinded and replaced by Transmittal 2949, dated May 7, 2014. This Change Request (CR) is being corrected to remove policy language regarding the diagnosis coding for comorbidities. There is no change in current policy and all other information in the CR remains the same.

SUBJECT: Quarterly Update to the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS)

I. SUMMARY OF CHANGES: This instruction adds a new HCPCS code to the drugs subject to the ESRD Consolidated Billing List and removes two ICD-10-CM codes previously included on the comorbidity list. The attached Recurring Update Notification applies to chapter 8, sections 20.1 and 50.2.5.

EFFECTIVE DATE: July 1, 2014
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 7, 2014

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

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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 obliged 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:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 2949	Date: May 7, 2014	Change Request: 8698

NOTE: This Transmittal is no longer sensitive and is being re-communicated XX-XX-XXXX. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

Transmittal 2924, dated April 7, 2014, is being rescinded and replaced by Transmittal 2949, dated May 7, 2014. This Change Request (CR) is being corrected to remove policy language regarding the diagnosis coding for comorbidities. There is no change in current policy and all other information in the CR remains the same.

SUBJECT: Quarterly Update to the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS)

EFFECTIVE DATE: July 1, 2014
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 7, 2014

I. GENERAL INFORMATION

A. Background: Section 153(b) of the Medicare Improvements for Patients and Providers Act (MIPPA) required the implementation of an ESRD PPS effective January 1, 2011. The ESRD PPS provides a single payment to ESRD facilities that covers all of the resources used in furnishing an outpatient dialysis treatment. The ESRD PPS includes consolidated billing requirements for limited Part B services included in the ESRD facility's bundled payment. The Centers for Medicare & Medicaid Services (CMS) periodically update the lists of items and services that are subject to Part B consolidated billing and are therefore no longer separately payable when provided to ESRD beneficiaries by providers other than ESRD facilities.

The ESRD PPS also provides outlier payments, if applicable, for high cost patients due to unusual variations in the type or amount of medically necessary care.

The ESRD PPS provides payment adjustments for comorbid conditions identified by specific diagnostic codes. The diagnostic codes are updated annually and effective each October 1st. In the calendar year (CY) 2014 ESRD PPS final rule CMS discussed and provided a crosswalk from ICD-9-CM to ICD-10-CM for diagnostic codes that will be subject to the comorbidity payment adjustment beginning on the date when ICD-10 becomes the required medical data code set for use on Medicare claims. This list was previously provided to the contractor in preparation for system's changes needed for implementation. This CR removes two codes from this list that were included incorrectly.

B. Policy: ESRD-Related Drugs and Biologicals Subject to the ESRD PPS Consolidated Billing Requirements

This CR provides instructions for a new code added to the Healthcare Common Procedure Coding System (HCPCS) file for anemia management treatment effective July 1, 2014.

Q9970: Injection, Ferric Carboxymaltose, 1mg

Ferric carboxymaltose is used for anemia management. Anemia management is a category of drugs and biologicals that are always considered to be ESRD-related. ESRD facilities would not receive separate payment

for Q9970 Injection, ferric carboxymaltose with or without the AY modifier and the claims shall process the line item as covered with no separate payment under the ESRD PPS effective July 1, 2014.

In accordance with 42 CFR 413.237(a)(1), Q9970 Injection, ferric carboxymaltose is considered to be an eligible outlier service and will be included in the outlier calculation when CMS provides a fee amount on the Average Sales Price fee schedule.

The updated list of ESRD-related items and services that are subject to the ESRD PPS consolidated billing requirements is available at the following CMS website: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/Consolidated_Billing.html

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
8698.1	Contractors shall recognize on the 072x ESRD Type of Bill the new code Q9970 Injection, Ferric Carboxymaltose, 1mg Short Description: Inj. ferric carboxymaltose added to the Healthcare Common Procedure Coding System (HCPCS) file for anemia management treatment, effective July 1, 2014.	X				X				IOCE
8698.2	Contractors shall update the ESRD consolidated billing code list for drugs always considered ESRD with the new HCPCS Q9970.					X			X	
8698.3	Contractors shall not allow a bypass of the consolidated billing edit when the AY modifier is present on the line with Q9970.					X			X	
8698.4	Contractors shall add the rate on the ASP file when it becomes available for Q9970 to the computation of the Medicare Allowable Payment (MAP) amounts (value code 79) used to calculate outlier payments on bill type 072x.					X				
8698.5	Contractors shall remove the following ICD-10 codes from the comorbidity list effective July 1, 2014:					X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	D89.2 Hypergammaglobulinemia, unspecified and K52.81 Eosinophilic gastritis or gastroenteritis									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
8698.6	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	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): Michelle Cruse, Michelle.Cruse@cms.hhs.gov, Wendy Tucker, wendy.tucker@cms.hhs.gov

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

VI. FUNDING

Section A: 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.