
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 116

Date: MARCH 5, 2004

CHANGE REQUEST 3019

I. SUMMARY OF CHANGES: Section 90.3.3, DMERC Claims Processing Instructions, has been revised to clarify processing instructions for End State Renal Disease codes for supplies and equipment that require manual pricing.

NEW/REVISED MATERIAL - EFFECTIVE DATE: April 5, 2004

***IMPLEMENTATION DATE: April 5, 2004**

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.

II. CHANGES IN MANUAL INSTRUCTIONS:

(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	8/90.3.3/DMERC Claims Processing Instructions

*III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification

*Medicare contractors only

Attachment - Business Requirements

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SUBJECT: ESRD- Miscellaneous Code Processing Clarification

I. GENERAL INFORMATION

A. Background: Currently, there is a monthly payment limit, or payment capitation (payment cap), per beneficiary, that applies to all home dialysis supplies and equipment listed in Chapter 8, Section 90.3.2 of the Medicare Claims Processing Manual that is furnished to the Method II dialysis beneficiary. DMERCs apply the payment limit to the supplies in the order in which the supplier bills them. Suppliers submit the items used on a claim line in any order without regard to whether or not the item is part of the payment capitation. Items contained within the cap are automatically priced. The items outside the cap (i.e., miscellaneous ESRD codes) must be manually priced. In most cases, the capitation amount is met with items contained within the monthly payment limit before those items that are outside the monthly payment cap need to be manually priced. The practice has been to manually price the miscellaneous ESRD codes regardless on which claim line they are entered. That is, if a miscellaneous ESRD code is entered on a line before a code that is covered under the cap, the miscellaneous code is subjected to manual pricing. This is done before the automatic determination that the payment limit has been met. Manually pricing items outside the payment cap before the automatic pricing of items contained within the payment cap is a nonproductive and inefficient activity in claims processing for Method II supplier claims submissions.

B. Policy: Process Method II home dialysis supplies and equipment that are automatically priced under the payment limitation. Once the payment limit has been met, there is no need to manually process additional miscellaneous ESRD codes.

C. Provider Education: None.

II. BUSINESS REQUIREMENTS:

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3019.1	The DMERC shall process payment data for ESRD supplies and equipment automatically priced under the payment capitation.	DMERC
3019.2	The DMERC shall automatically price the supplies and equipment under the capitation regardless of the order in which they appear on the claim.	DMERC

3019.3	The DMERC shall manually price miscellaneous ESRD codes only to reach the payment limit if necessary.	DMERC
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III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING N/A

Effective Date: April 5, 2004 Implementation Date: April 5, 2004 Pre-Implementation Contact(s): Marvin Stoenke (410) 786-9867 Post-Implementation Contact(s): Appropriate RO contact	These instructions should be implemented within your current operating budget.
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90.3.3 - DMERC Claims Processing Instructions

(Rev.116, 03-05-04)

B3-3045.7.C

The monthly limit applies to all home dialysis supplies and equipment furnished to the beneficiary. More than one supply or piece of equipment may be furnished for a given month. *Regardless of the order in which suppliers bill supplies and equipment to the DMERC, the payment limits under Method II for home dialysis equipment and supplies may not exceed the limits prescribed under Chapter 8, Section 90 of the Medicare Claims Processing Manual. Once the limits are met, additional miscellaneous ESRD codes that do not fall under any of the HCPCS codes listed in Section 90.3.2, need not be manually priced inasmuch as the capitation amount has been met on the lines that the system prices automatically for dialysis items, regardless of the order in which they are received on the claim.*

If a claim identifies the beneficiary as a CCPD patient, apply the higher monthly limit.

If two different suppliers submit bills for the same month for the same beneficiary, DMERCs pay only the first supplier that submits a bill.

DMERCs must deny payment for home dialysis supplies and equipment if any of the following conditions are met:

- The supplier has not accepted assignment;
- The supplies were furnished by a second supplier;
- The monthly limit has been paid;
- The beneficiary filed the claim;
- The beneficiary has elected Method I for the date of service on the claim;
- The DMERC finds that the supplier does not have a valid written agreement with a support service facility, or
- The supplier did not use the “KX” modifier on each line item to indicate that it has a valid written backup agreement with a support service facility.