Medicare
Carriers Manual
Part 3 - Claims Process

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

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CHANGE REQUEST 2338

HEADER SECTION NUMBERS	PAGES TO INSERT	PAGES TO DELETE
3045.7 - 3045.7 (Cont.)	3-36.5 - 3-36.6 (2 pp.)	3-36.5 - 3-36.6 (2 pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: January 1, 2003*
IMPLEMENTATION DATE: January 1, 2003

Section 3045.7, Mandatory Assignment and Other Requirements for Home Dialysis Supplies and Equipment Paid Under Method II, is revised to bring claims processing policies up to date.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

These instructions should be implemented within your current operating budget.

D. Beneficiary Information Regarding Unassigned Claims.--Notify the beneficiary that the physician is prohibited from:

o Billing the beneficiary when the necessary documentation is not supplied; and

o Billing or collecting an amount in excess of Medicare's payment, except for the deductible and coinsurance, when the required documentation is submitted.

(See §7012 for EOMB message(s).)

3045.7 Mandatory Assignment and Other Requirements for Home Dialysis Supplies and Equipment Paid Under Method II.--

A. General.--Durable Medical Equipment Regional Carriers (DMERCs) must pay only on an assignment basis for home dialysis supplies and equipment furnished a beneficiary who has selected Method II. There is also a monthly payment limitation: $2,080 for continuous cycling peritoneal dialysis (CCPD) and $1,600 for all other methods of dialysis. (Note, however, that beneficiaries are permitted to have on hand one month's emergency reserve supplies.) This payment may be made to only one supplier per beneficiary. (See §§4270-4271.)

B. Billing Instructions.--Suppliers of Method II home dialysis supplies and equipment must complete their claims as follows:

o Submit claims to the appropriate DMERC on a monthly basis for one month’s worth of supplies and equipment;

o Enter appropriate Healthcare Common Procedure Coding System (HCPCS) codes for each supply or piece of equipment provided, with a “KX” modifier on each line item to signify that the supplier has a valid agreement with an appropriate support service facility; and

o Use modifier "EM" to designate each HCPCS code for emergency reserve supplies. This allows the DMERC to identify situations in which the payment limit for a given month may be exceeded if an emergency reserve is billed for in addition to regular monthly supplies. It also allows DMERCs to ensure that emergency supplies are not purchased more frequently than once in a beneficiary’s lifetime per mode of dialysis. Suppliers must bill for all emergency dialysis supplies in the same calendar month.

C. Processing Claims.--The monthly limit applies to all home dialysis supplies and equipment furnished to the beneficiary. Since more than one supply or piece of equipment may be furnished for a given month, apply the limit to the supplies in the order in which they are billed by the sole supplier.

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, 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:

o The supplier has not accepted assignment;

o 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 (see §4270).