Program Memorandum Intermediaries/Carriers

Department of Health and Human Services (DHHS)

HEALTH CARE FINANCING ADMINISTRATION (HCFA)

Transmittal AB-00-55 **Date: JUNE 2000**

CHANGE REQUEST 1117

SUBJECT: HEMODIALYSIS FLOW STUDY

The CPT Editorial Panel is currently considering approval of new CPT codes for hemodialysis access flow study. This study is performed during a regularly scheduled hemodialysis session by a member of the patient care team trained in the procedure. The hemodialysis access flow study is used to determine blood flow in grafts and arteriovenous fistula by an indicator dilution method for monitoring of progressive access dysfunction and for monitoring during and after interventions performed to restore adequate access flow; hook-up, measuring and disconnection.

Unlike doppler flow studies which may be used for diagnostic purposes as well as monitoring the access site, these indicator dilution studies are used for monitoring purposes only. When access problems are identified, the patient is referred for an appropriate imaging study to obtain diagnostic information to permit medical intervention to address the problem. However, doppler flow studies when used for diagnostic purposes would require no additional imaging studies before medical intervention can occur.

As of this date, only the Transonic ultrasound indicator dilution method is FDA approved. However, other indicator dilution methods will be commercially available in the near future to measure access flow. Once a new CPT code for access flow measurement is established, it will include all indicator dilution modalities.

Medicare pays for outpatient maintenance dialysis services furnished by ESRD facilities based on a composite payment rate. This rate is a comprehensive payment and includes all services, equipment, supplies and certain laboratory tests and drugs that are necessary to furnish a dialysis treatment.

For dialysis treatment, there must be a means of access so that the exchange of waste products may occur. ESRD facilities are responsible as part of the dialysis treatment to monitor access, and where occlusions occur, either to declot the access or to refer the patient for appropriate treatment. Procedures associated with monitoring access involves taking venous pressures, aspirating thrombus, observing elevated recirculation time, reduced urea reduction ratios, or collapsed shunt, etc. All such procedures are covered under the composite rate.

A number of ESRD facilities are monitoring access through hemodialysis flow studies, such as the indicator dilution method. These studies are not covered as a separately billable service since they are used to monitor a patients vascular access site. Medicare pays for the technical component of the procedure in the composite payment rate. The professional component of the procedure is included in the monthly capitation payment (MCP) (See §15060 of Medicare Carriers Manual (MCM), Part 3). For physicians managing a patient's dialysis, but who is not paid under the MCP (e.g., when an hemodialysis patient is hospitalized), the physician's interpretation of this test is considered bundled into other E&M visits delivered to the patient.

An ESRD facility must furnish all necessary services, equipment, and supplies associated with a dialysis treatment, either directly or under arrangements which make the facility financially responsible for the service. If an ESRD facility or a renal physician decides to monitor the patient's

access site with a hemodialysis flow study and does not have the equipment to perform the procedure,

the facility or the physician may arrange for the service to be furnished by another source. The alternative source, such as an independent diagnostic testing facility or an independent physiological laboratory, must look to the ESRD facility for payment. No separate payment for hemodialysis flow studies for ESRD patients is permitted to any entity.

The professional component should be denied if billed by the MCP physician. Medically necessary services that are included or bundled into the MCP (e.g., test interpretations) are separately payable when furnished by physicians other than the MCP physician. (See §15060.1,.2 of the MCM, Part 3.)

This Program Memorandum is to alert you that separate payment should not be made for these hemodialysis flow studies for ESRD patients once the new CPT codes have be established. Report payment denials on a remittance advice with a group code "CO" and claim adjustment reason code 24, "Payment for charges denied. Charges are covered under a capitation agreement."

The Medicare Summary Notice denial message number is 16.32, "Medicare does not pay separately for this service" (See §3726.14A of the Medicare Intermediary Manual, Part 3.)

This PM clarified a long standing Medicare policy, regarding services included in the composite rate for ESRD patients, with respect to its application to a new service. It does not involve a systems change now and will not involve system changes when the newly assigned CPT code becomes effective.

The *effective date* for this PM is July 1, 2000.

The *implementation date* for this PM is July 1, 2000.

These instructions should be implemented within your current operating budget.

This PM may be discarded after June 30, 2001.

If you have any questions, contact Gene Richter at (410) 786-4562.