

ESRD Consolidated Billing Impacts All Providers

Part A Fall Virtual Conference: Ending on a Strong Medicare Note
11/2/2023

Closed Captioning: *Auto-generated closed captioning is enabled in this course and is at best 70-90% accurate. Words prone to error include specialized terminology, proper names and acronyms.*



Disclaimer

National Government Services, Inc. has produced this material as an informational reference for providers furnishing services in our contract jurisdiction. National Government Services employees, agents, and staff make no representation, warranty, or guarantee that this compilation of Medicare information is error-free and will bear no responsibility or liability for the results or consequences of the use of this material. Although every reasonable effort has been made to assure the accuracy of the information within these pages at the time of publication, the Medicare Program is constantly changing, and it is the responsibility of each provider to remain abreast of the Medicare Program requirements. Any regulations, policies and/or guidelines cited in this publication are subject to change without further notice. Current Medicare regulations can be found on the [CMS website](#).



Recording

Attendees/providers are never permitted to record (tape record or any other method) our educational events. This applies to webinars, teleconferences, live events and any other type of National Government Services educational events.

Objectives

Gain an understanding of End Stage Renal Disease Consolidated Billing

Explore:

- Inclusions/exclusions
- Associated billing guidance
- Convergence points for all providers

Today's Presenters

Provider Outreach and Education Consultants

- Jean Roberts, RN,BSN, CPC
- Jeanine Gombos

Agenda

End Stage Renal Disease Prospective Payment System and Consolidated Billing

AY Modifier

- Exception One: Always ESRD Related
- Exception Two: Emergency Room Services
- Additional AY Modifier Concepts

Provider Specific Information

- Skilled Nursing Facility, Hospital Inpatient (acute care), Hospital Outpatient, Home Health, Hospice, Durable Medical Equipment Suppliers

Resources

Questions

ESRD PPS

- 1/1/2011: ESRD PPS and CB began
- Provides single payment to ESRD facilities
- Covers all resources used in providing an outpatient dialysis treatment, including supplies and equipment used to administer dialysis in the ESRD facility or at a patient's home
 - Drugs, biologicals, laboratory tests, training, and support services

ESRD PPS CB

- ESRD PPS and ESRD CB requirements discussed during this session apply to Medicare beneficiary covered for ESRD
 - ESRD PPS and CB does not include chronic or acute kidney diagnoses or for a patient who is not receiving Medicare-covered ESRD services
- ESRD PPS includes CB for limited Part B services included in the ESRD facility bundled payment
 - Beneficiary's "home/primary" ESRD facility is responsible for all ESRD-related services, with few exceptions
 - Must provide such services either directly or under arrangements
 - Payment for items/services subject to ESRD CB is made to the renal dialysis facility whether services were provided directly or under arrangements

Facilities/Providers Impacted by ESRD CB

- Examples of providers subject to ESRD CB - **Not an all-inclusive list:**
 - Outpatient hospitals and emergency department services
 - Clinics
 - Independent Laboratories
 - DME Suppliers
 - Pharmacy
 - Physicians
 - SNFs
 - Home Health or Hospice

Services Subject to ESRD CB

- ESRD CB applies to certain
 - Renal dialysis laboratory services
 - Drugs and biologicals
 - Equipment and supplies
- Services subject to ESRD CB requirements are periodically updated and are available on the CMS website

[ESRD Consolidated Billing Files](#)

- Updated at least annually and may be updated quarterly
 - ✓ Updated via Change Request/Transmittal
- Note: Includes list of drugs and biologicals designated as always ESRD-related
- Use file applicable to DOS

CMS Medicare Website

ESRD PPS Consolidated Billing

Most current
Change Request
update to ESRD CB:
CR13201, effective
7/1/2023

ESRD PPS Consolidated Billing

Consolidated Billing Requirement

Medicare provides payment under the ESRD Prospective Payment System (PPS) for all renal dialysis services furnished to ESRD beneficiaries for outpatient maintenance dialysis. Therefore, ESRD facilities are responsible and paid for furnishing all renal dialysis services under the ESRD PPS directly or under arrangement.

Payment for Renal Dialysis Services Billed by Other Providers

The ESRD PPS implemented consolidated billing requirements for limited Part B items and services included in the ESRD facility's bundled payment. Certain laboratory services, drugs and biologicals, equipment, and supplies are subject to consolidated billing and are no longer separately payable when provided to ESRD beneficiaries by providers other than the ESRD facility. Under consolidated billing, ESRD facilities are expected to furnish services, either directly, or under an arrangement with an outside supplier.

When a renal dialysis service is provided to an ESRD beneficiary by other providers, that provider should look to the ESRD facility for payment, as opposed to submitting a claim to their Medicare Administrative Contractor (MAC).

When a provider other than an ESRD facility provides renal dialysis services to an ESRD beneficiary for reasons not related to the treatment of ESRD, the submitted claim must include the AY modifier to allow for separate payment under Medicare. For example, if an ESRD beneficiary also has cancer and has a laboratory test done related to cancer treatment, the laboratory should submit the claim with an AY modifier in order to receive separate payment.

Note: An item or service furnished by an ESRD facility that is not for the treatment of ESRD must be submitted with an AY modifier to allow for separate payment outside of the ESRD PPS.

Downloads

[Items and Services Subject to ESRD PPS Consolidated Billing Effective 1-1-2023 \(PDF\)](#)

[Items and Services Subject to ESRD PPS Consolidated Billing Effective 1-1-2022 \(PDF\)](#)

[Items and Services Subject to ESRD PPS Consolidated Billing Effective 1-1-2021 \(PDF\)](#)

[Items and Services Subject to ESRD PPS Consolidated Billing Archive 2011-2020 \(ZIP\)](#)

Services Subject to ESRD CB

- General categories of services subject to ESRD CB when provided for the treatment of ESRD; list includes HCPCS/CPT code and descriptors
 - DME ESRD Supply HCPCS for ESRD PPS Consolidated Billing Edits
 - DME ESRD Supply HCPCS Not Payable to DME Suppliers
 - Labs Subject to ESRD Consolidated Billing
 - Drugs Subject to ESRD Consolidated Billing

CY ESRD PPS Consolidated Billing List

- The ESRD PPS CB list is not an all-inclusive list
 - All injectable drugs and biologicals and their oral or other form of administration, laboratory tests, supplies, and services **provided for the treatment of ESRD** are included in the ESRD PPS
- **Caution:** Be sure you refer to the ESRD CB list applicable to the DOS in question

Services Subject to ESRD CB

- ESRD facility has payment responsibility for all renal dialysis services subject to ESRD CB
 - Including those provided by other providers/suppliers
 - Applies to limited Part B items/services
 - Not separately payable, when provided for the treatment of ESRD by any provider other than the patient's renal dialysis facility

Services Subject to ESRD CB

- Non-ESRD provider must request payment from the ESRD facility
 - Communication between provider and patient's ESRD facility is vital!
 - Do not bill Medicare for services subject to ESRD CB
 - ✓ Submit to ESRD facility any medical records and any additional documentation requested
- ESRD facility required to include all services subject to ESRD CB on the monthly ESRD claim to Medicare

Not Always Subject to ESRD CB

- Ensure your facility understands what services are subject to ESRD CB
 - Check ESRD CB list
- Non ESRD Providers Be aware
 - Only services listed on ESRD CB list may be subject to ESRD CB
 - Do **not** assume a service listed on the ESRD CB list is always the ESRD facility's responsibility
 - ✓ Must be used for treatment of ESRD (ESRD-related) for ESRD facility to be responsible for payment

Not Always Subject to ESRD CB

- If your facility is unsure whether a service was ordered for the treatment of ESRD:
 - Verify** the intent with the ordering physician
 - Applies to all provider types

AY Modifier

Item or service furnished to an ESRD patient that is **not related** to treatment of ESRD

- Applies to ESRD and non-ESRD providers
- Allows separate payment outside of ESRD PPS



AY Modifier

- Use to identify medically necessary item/service, subject to ESRD CB, when provided to an ESRD beneficiary for a condition not related to the treatment of ESRD
- Report AY modifier for each line item furnished that is not related to treatment of ESRD except:
 - Certain drugs considered “always ESRD-related”
 - Claims for emergency room services, due to the urgent nature, are not required to report AY modifier
 - Revenue code 0450 must be on the claim

AY Modifier

- Caution for ESRD facilities:
 - Do not send patients to the ER for routine laboratory testing or for the provision of renal dialysis services that should be provided by ESRD facility
 - All services subject to ESRD CB are included in payment for Acute Kidney Injury (AKI); however, modifier AY **does not** apply to claims for AKI

Exception One: Always ESRD Related

- Includes those used for (**not** an all-inclusive list):
 - Access management
 - Anemia management including
 - ✓ Erythropoiesis stimulating agents (ESAs), such as epoetin alfa (EPOGEN®), darbepoetin alfa and more
 - Bone and mineral metabolism management
 - Cellular management
 - Antibiotics used to treat access site infections
 - All drugs/biologicals added to a patient's dialysate solution

Exception One: Always ESRD Related

- ESRD CB categories of drugs and biologicals are NOT an all-inclusive list
 - Any drug or biological that is used for the same purpose as those drugs and biologicals on the list are also included under the ESRD PPS CB
- Non-ESRD providers furnishing such drugs must look to the ESRD facility for payment
 - Best method: Discuss services to be provided with patient's ESRD facility or ESRD MCP physician to decide how best to proceed

Exception One: Always ESRD Related

- ESRD-related EPO and Aranesp is included in ESRD PPS payment amount and is not separately payable on Part B claims with DOS on or after 1/1/2011 for other providers
 - Exception: Hospital billing for an emergency or unscheduled dialysis session

Exception One: Separately Payable Drugs

- Must be administered in the ESRD facility by facility staff
 - Including, but not limited to following categories:
 - ✓ Antibiotics
 - ✓ Analgesics
 - ✓ Hematinics
 - ✓ Muscle Relaxants
 - ✓ Sedatives
 - ✓ Tranquilizers
 - When administered through dialysate, append modifier JE
- Non-ESRD provider billing for any of these will have the service rejected or denied unless the service is determined not ESRD-related
 - If not ESRD-related append modifier AY

Exception Two: Emergency Room (ER) Services

Hospital ER services are separately paid subject to additional requirements

- Sudden onset of acute symptoms of sufficient severity (including severe pain) such that the absence of immediate ER medical attention could reasonably be expected to result in either:
 - Placing patient's health in serious jeopardy
 - Causing serious impairment to bodily functions; or
 - Causing serious dysfunction of any bodily organ or part



Exception Two: Emergency Room Services

- Diagnostic laboratory testing is ordered based on presenting illness
 - Often not possible for ordering MD to know, at the time tests are ordered, if related to treatment of patient's ESRD
 - **Not** required to append AY modifier
 - Date of ER visit: ER revenue code (045X) allows all laboratory tests to bypass ESRD CB edits

Exception Two: Emergency Room Services

- ER/ED encounter spanning more than one service date (past midnight)
 - Must append **modifier ET** to labs (subject to ESRD CB) when performed in ER on subsequent day(s)
 - ✓ Claim must include revenue code 045X on different line-item date
 - ✓ Use Modifier ET to attest that the laboratory test(s) were ordered in conjunction with the emergency services
 - ✓ Allows payment for ER services that span two calendar days

Unscheduled/Emergency Dialysis

- Unscheduled or emergency dialysis services at a facility other than the ESRD beneficiary's primary ESRD facility
 - Certified ESRD provider
 - ✓ Include **Condition Code 59** (Non-Primary ESRD Facility) on the claim to allow payment
 - Outpatient department without a certified ESRD facility
 - ✓ On 13X or 85X TOB: Add HCPCS code G0257 (Unscheduled or emergency dialysis treatment for an ESRD patient in a hospital outpatient department that is not certified as an ESRD facility)
- Note: Administration of ESAs to person with ESRD
 - Typically not separately payable to non-ESRD provider
 - Exception: Emergency or unscheduled dialysis where ESAs administered during session

Other Services Excluded from ESRD PPS

- Renal dialysis services furnished in other settings may be paid separately if services could not have been furnished by ESRD facility
 - Declotting of shunts
 - Suture removal
 - Emergency services when absence of medical attention may result in serious medical issues
- Renal dialysis services furnished during creation/revision of vascular access billed separately with AY modifier

Not For the Treatment of ESRD

- Laboratory services, drugs and biologicals provided for reasons other than for the treatment of ESRD are separately paid
 - Laboratory tests for reasons other than the treatment of ESRD
 - Injectable drugs and biologicals not used for treatment of ESRD
- Report modifier AY to allow for separate payment outside of ESRD PPS

ESAs

- NGS Appeals Department identified issue
 - Providers incorrectly billing non-ESRD ESA codes for patients with ESRD
 - As a reminder, Exception One states that certain drugs and biologicals are considered **Always ESRD-Related**
 - ✓ Specifies: Anemia management including ESAs, such as epoetin alfa (EPOGEN®), darbepoetin alfa and more are “always ESRD” for a patient with ESRD
 - ✓ AY modifier has no impact

Provider Specific Information

Reminder

- When applicable, use AY modifier to identify medically necessary item/service, subject to ESRD CB, when provided to an ESRD beneficiary for a **condition not related to the treatment of ESRD**



Impact to Non-ESRD Providers

- CB edits established with implementation of ESRD PPS
 - Deny or reject claims from non-ESRD providers and suppliers billing for ESRD-related labs, drugs and supplies
- Other entities providing ESRD-related services, including laboratories, suppliers and physicians billing for ESRD-related drugs, laboratory services, and/or supplies must look to the ESRD facility for payment

ESRD Beneficiary in a Hospital Outpatient Department

- Services related to treatment of beneficiary with ESRD are subject to ESRD CB
 - Reminder of Exception Two
 - ✓ ER services
 - ✓ Unscheduled/emergency dialysis
- Excluded from ESRD PPS CB
 - Creation/revision of ESRD patient's vascular access site
 - ✓ Laboratory services, drugs and biologicals, and equipment and supplies furnished to ESRD beneficiary for treatment of ESRD on the day of a procedure to create or revise a vascular access site is not considered to be renal dialysis services
 - Bill such services with AY modifier
 - Code indicating creation or revision of vascular access site must be included on the claim

Hospital Inpatient

- Part A hospital inpatient services, including dialysis for an ESRD beneficiary, are paid under Part A and included in the DRG (diagnosis related group) rate
 - **Not subject to ESRD consolidated billing**
 - ESRD facility is not paid for any services while the beneficiary is a hospital inpatient

ESRD Beneficiary in a Skilled Nursing Facility

- Excluded from [SNF CB](#): All services subject to ESRD PPS/ESRD CB provided for treatment of ESRD, to beneficiary with ESRD, during inpatient SNF stay
 - SNF CB excludes dialysis, EPO, Aranesp, other dialysis related services for ESRD beneficiaries when SNF is the place of service
 - ✓ SNF CB excludes home dialysis when SNF constitutes as home of beneficiary
 - ✓ Services are included in ESRD PPS
- Billing responsibility: All ESRD-related services furnished to beneficiary with ESRD is ESRD dialysis facility responsibility
 - Whether services provided directly or under arrangements

Nursing Home or Long-Term Care Facility

- Excluded from ESRD PPS and CB:
 - Medicare beneficiaries with ESRD receiving home dialysis services who permanently live in nursing home (not SNF) or long-term care facility
 - ESRD facility bills for ESRD dialysis and related services

Home Health

- All services covered under ESRD PPS and directly related to an ESRD beneficiary's dialysis are **excluded** from coverage under the Medicare home health benefit
 - Exception: A visit to provide a service not directly related to a patient's dialysis, is covered so long as other requirements for coverage are met
 - ✓ Example: A nursing visit to furnish wound care for an abandoned shunt site
- Within these restrictions, beneficiaries may simultaneously receive items and services under the ESRD program at home at the same time as receiving services under the home health benefit not related to ESRD

Hospice

- When the terminal illness is **related** to ESRD, the hospice is responsible for all services
 - Regardless if ESRD-related or not
- When the terminal illness is **not related** to ESRD the hospice is responsible only for hospice-related items/services
 - ESRD facility is responsible for all services related to treatment of ESRD as per ESRD PPS rules
- Physician services are excluded from ESRD CB

DME Suppliers

- DME ESRD supply HCPCS not payable to DME Suppliers when services are **related** to beneficiary's ESRD dialysis treatment
 - GY modifier required, when applicable
 - Item will be denied as statutorily noncovered
 - ✓ PR-96 (Patient Responsibility)
- DME suppliers may bill for certain ESRD supply HCPCS codes subject to the ESRD PPS consolidated billing when items are for services **not related** to beneficiary's ESRD dialysis treatment
 - AY modifier required
 - AY modifier required even if using GA, GZ, GY, or EY modifiers

Resources

NGS Resources for ESRD Providers

- [National Government Services End-Stage Renal Disease Medicare Part A Quick Reference Manual](#)
- [Physician Dialysis Services](#)
- [ESRD-Related Services as a Telehealth Service](#)
- [ESRD Facilities: Clarifications for Providing Dialysis Services to Patients Acute Kidney Injury](#)
- NGS Medicare University (MU) Course: PTA-C-0028: End-Stage Renal Disease Eligibility/Entitlement
 - Additional information and Guide: [Medicare University](#)

CMS ESRD Resources

- [ESRD Consolidated Billing](#)
 - See Downloads section for ESRD CB files
- CMS [Change Request \(CR\) 13275](#) and [MLN Matters MM13275](#), Quarterly Update to the End-Stage Renal Disease Prospective Payment System (ESRD PPS), effective 10/1/2023
- [CMS Change Request 13201, Quarterly Update to the End-Stage Renal Disease Prospective Payment System \(ESRD PPS\), effective 7/1/2023](#)
- [CMS End Stage Renal Disease Center](#)
- [CMS - End Stage Renal Disease \(ESRD\) Prospective Payment System \(PPS\)](#)

CMS ESRD Resources

- [CMS End Stage Renal Disease PPS Web Pricer](#)
- [CMS Erythropoietin Stimulating Agents Policies in ESRD Facilities](#)
- [CMS ESRD General Information](#)
- [CMS - ESRD Quality Incentive Program \(QIP\)](#)
- [CMS ESRD](#) - Coordination of Benefits & Recovery
- [CMS ESRD Facilities](#) – Condition for Coverage

CMS ESRD PPS Resources

- Centers for Medicare & Medicaid Services (CMS) Internet-Only Manual (IOM)
 - [Publication 100-02, Medicare Benefit Policy Manual, Chapter 11, End Stage Renal Disease](#)
 - [Publication 100-04, Medicare Claims Processing Manual, Chapter 8, Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims](#)
 - [Publication 100-04, Medicare Claims Processing Manual, Chapter 16, Laboratory Services](#)
 - ✓ Section 40.6 - Billing for End Stage Renal Disease (ESRD) Related Laboratory Tests
 - ✓ Section 60.1.3 - Specimen Drawing for Dialysis Patients

Additional CMS Resources

- Start of ESRD PP and CB
 - [CMS Change Request 7064: End Stage Renal Disease \(ESRD\) Prospective Payment System \(PPS\) and Consolidated Billing for Limited Part B Services](#)
 - [MLN Matters Article MM7064: End Stage Renal Disease \(ESRD\) Prospective Payment System \(PPS\) and Consolidated Billing for Limited Part B Services \(archived\)](#)
- ET Modifier
 - [CMS Change Request 7593: Clarification and Revisions for Claims Submitted for End Stage Renal Disease \(ESRD\) Patients](#)
 - See also [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 4, Section 180.6](#)

ESRD and SNF Resources

- ESRD Beneficiary in a Skilled Nursing Facility
 - SNF CB
 - ✓ [SNF Consolidated Billing](#)
 - ✓ [2023 Part A Update](#) - see Downloads section for:
 - 2023 Annual SNF Consolidated Billing HCPCS Update
 - General Explanation of the Major Categories for Skilled Nursing Facility (SNF) Consolidated Billing
- ESRD excluded from SNF CB
 - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 6, SNF Inpatient Part A Billing and SNF Consolidated Billing](#), Section 20.2: Services Excluded from Part A PPS Payment and the Consolidated Billing Requirement on the Basis of Beneficiary Characteristics and Election

Additional CMS Resources

- [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 4](#), Section 200.2 - Hospital Dialysis Services For Patients With and Without End Stage Renal Disease (ESRD)
- ESRD excluded from Home Health
 - [CMS IOM Publication 100-02, Medicare Benefit Policy Manual, Chapter 7, Home Health Services](#)
 - ✓ Section 80 - Specific Exclusions From Coverage as Home Health Services and
 - ✓ Section 80.5 - Services Covered Under the End Stage Renal Disease (ESRD) Program
- CMS MLN
 - New: MLN Fact Sheet: [Direct Data Entry: 10-Digit Screen Expansion](#)
 - Educational Tool: [Medicare Provider Compliance Tips](#) (Approximately 49 different topics)
 - Fact Sheet: [Complying with Medical Record Documentation Requirements](#)
 - Provider Minute: [The Importance of Proper Documentation](#)

Questions?

Thank you! A follow-up email will be sent to attendees with the Medicare University Course Code.

To Ask a Question Using the Question Box

The screenshot displays the GoToWebinar interface. At the top, there is a menu bar with 'File', 'View', and 'Help'. Below it, a window titled 'Attendee List (2 | Max 201)' is visible, showing a list of attendees under the 'Attendees (1)' tab, with 'Corena Bahr (Me)' listed. A search bar is located below the list. The 'Audio' section shows 'Audio Mode' with radio buttons for 'Use Telephone' and 'Use Mic & Speakers' (selected). A 'MUTED' status is shown with a volume icon and a volume level of 00000000. Below the audio section, it says 'Talking: Suzie Smith'. The 'Questions' section contains a 'Questions Log' with a question 'Q: Is there a volume discount?' and an answer 'A: Yes! We will send you more info after the event.' Below the log is a text input field containing 'Yes' and a 'Send' button. A red arrow points from the left to the input field with the text 'Type questions here', and another red arrow points from the right to the 'Send' button with the text 'Then click Send'.

Connect with us on Social Media



[YouTube Channel](#)

Educational Videos

medicare **mobile**

Text NEWS to 37702; Text GAMES to 37702



www.MedicareUniversity.com

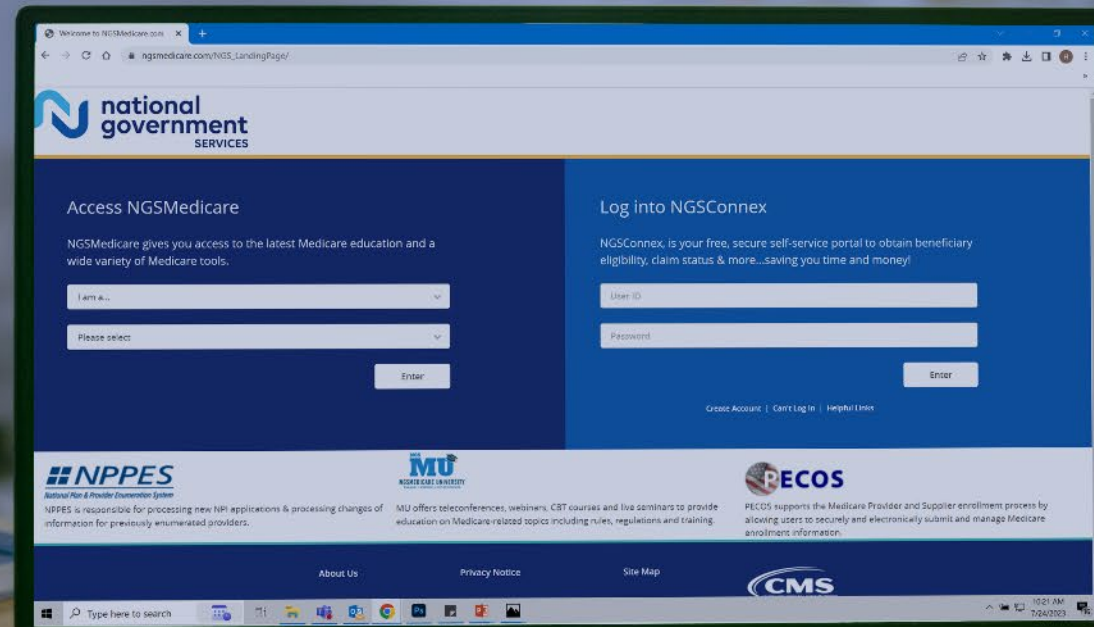
Self-paced online learning



[LinkedIn](#)

Educational Content

Find us online



www.NGS Medicare.com

Online resources, event calendar, LCD/NCD, and tools



IVR System

The interactive voice response system (IVR) is available 24-hours a day, seven days a week to answer general inquiries



[NGSConnex](#)

Web portal for claim information



[Sign up for Email Updates](#)

Subscribe for Email updates at the top of any NGS Medicare.com webpage to stay informed of news