



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

MLN Matters Number: MM12741 **Revised**

Related Change Request (CR) Number: 12741

Related CR Release Date: **May 20, 2022**

Effective Date: July 1, 2022

Related CR Transmittal Number: **R11424CP**

Implementation Date: July 5, 2022

**Note: We revised this Article due to a revised CR 12741. The CR revision didn't affect the substance of the Article. We did revise the CR release date, transmittal number, and the web address of the CR. All other information is the same.**

### Provider Types Affected

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This MLN Matters Article is for ESRD facilities billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

### Provider Action Needed

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Make sure your billing staff knows about these CMS changes:

- Revised list of outlier services to include 27 National Drug Codes (NDCs), effective January 1, 2022
- Updated mean unit cost for renal dialysis drugs that are oral equivalents to injectable drugs, effective July 1, 2022
- Revised mean dispensing fee for NDCs qualifying for outlier to \$0.57 per NDC per month, effective July 1, 2022

### Background

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The ESRD PPS recognizes high-cost patients and CMS includes an outlier policy and the methodology for calculating outlier payments in [42 CFR 413.237](#). The policy covers certain services and supplies that were or would've been separately billable under Medicare Part B (or Part D, as noted below) prior to January 1, 2011. These include:

1. Renal dialysis drugs and biological products
2. Renal dialysis laboratory tests
3. Renal dialysis medical/surgical supplies, including syringes, used to administer renal dialysis drugs and biological products

4. Renal dialysis drugs and biological products covered under Part D, including renal dialysis oral-only drugs
5. Renal dialysis equipment and supplies, except for capital-related assets that are home dialysis machines (as defined in [42 CFR 413.236\(a\)\(2\)](#)), that get the transitional add-on payment adjustment specified in 42 CFR 413.236 after the payment period has ended

Effective January 1, 2022, we're revising the list of outlier services to include 27 NDCs as shown in [Attachment A of CR 12741](#). We hadn't included the NDCs identified with red font in Attachment A in the Medicare-allowed payments for outlier consideration for claims with dates of service on or after January 1, 2022. This may have affected your outlier payments. Once we implement CR 12741, if you believe your outlier payments were affected, you may:

- Adjust your claims with those NDCs
- Ask your MAC to adjust those claims

Effective July 1, 2022, we're making the following routine changes to the list of outlier services as shown in [Attachment B of CR 12741](#):

- Updating the most recent mean unit cost for renal dialysis drugs that are oral equivalents to injectable drugs based on the most recent prices in the Medicare Prescription Drug Plan Finder
- Adding or removing any renal dialysis items and services from the list of outlier services, as necessary
- Revising the mean dispensing fee of the NDCs qualifying for outlier to \$0.57 per NDC per month

## More Information

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We issued [CR 12741](#) to your MAC as the official instruction for this change.

For more information, [find your MAC's website](#).

## Document History

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Date of Change	Description
May 23, 2022	We revised the Article due to a revised CR 12741. The CR revision didn't affect the substance of the Article. We did revise the CR release date, transmittal number, and the web address of the CR. All other information is the same.
May 5, 2022	Initial article released.

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