



## ESRD Prospective Payment System: Quarterly Update

Related CR Release Date: May 9, 2024

MLN Matters Number: MM13608

Effective Date: July 1, 2024

Related Change Request (CR) Number: [CR 13608](#)

Implementation Date: July 1, 2024

Related CR Transmittal Number: R12628CP

Related CR Title: Quarterly Update to the End-Stage Renal Disease Prospective Payment System (ESRD PPS)

### Affected Providers

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- Physicians
- Suppliers
- ESRD facilities billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

### Action Needed

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Make sure your billing staff knows about:

- Transitional Drug Add-On Payment Adjustment (TDAPA) for HCPCS code J0911
- Updated list of outlier services under the ESRD PPS

### Background

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#### TDAPA for J0911

The TDAPA is a payment adjustment under the ESRD PPS for certain new renal dialysis drugs and biological products. Effective July 1, 2024, HCPCS code J0911 (Instillation, taurolidine 1.35 mg and heparin sodium 100 units (central venous catheter lock for adult patients receiving chronic hemodialysis)) is on the list of drugs paid for using the TDAPA under the ESRD PPS. J0911 is expected to remain on the list through June 30, 2026.

ESRD facilities should report the AX modifier (item furnished in conjunction with dialysis services) with the HCPCS code to get payment for the TDAPA-eligible drug. While this drug is eligible for the TDAPA, it doesn't qualify toward outlier calculations.

**Note:** ESRD facilities should only use the AX modifier for a drug or biological product that qualifies for the TDAPA.

The taurolidine and heparin sodium solution uses single dose packaging. Catheter lumen sizes and the volume that they hold vary. ESRD facilities should use the:

- JW modifier (drug amount discarded/not administered to any patient) on the 72x claim to report the discarded amount of taurolidine and heparin sodium
- JZ modifier (zero drug amount discarded/not administered to any patient) on the 72x claim to report when there is no discarded amount of taurolidine and heparin sodium

Report the AX modifier in the first modifier position and either the JZ or the JW modifier in the second modifier position.

Because the taurolidine and heparin sodium solution falls within the existing ESRD PPS functional category of anti-infectives and is only indicated to reduce the incidence of catheter-related bloodstream infections (CRBSI) in adult patients with kidney failure receiving chronic HD through a CVC, we consider it to be always used for the treatment of ESRD. ESRD facilities won't get separate payment for J0911 with or without the AY modifier, and the claims will process the line item as covered with no separate payment under the ESRD PPS. We'll update the ESRD PPS consolidated billing requirements to include J0911. We use the payer only value code Q8, Total TDAPA Amount, to capture the add-on payment adjustment amount.

Effective July 1, 2024, we'll update the Consolidated Billing (CB) list in [Attachment B of CR 13608](#) to include J0911.

### Outlier Services

Effective July 1, 2024, we'll make these routine changes to the list of ESRD outlier services as shown in [Attachment A of CR 13608](#):

- Update the most recent mean unit cost for renal dialysis drugs that are oral equivalents to injectable drugs based on the most recent prices obtained from the Medicare Prescription Drug Plan Finder
- Add or remove any renal dialysis items and services from the list of ESRD outlier services, as necessary
- Revise the mean dispensing fee of the National Drug Codes (NDCs) qualifying for outlier payments to \$0.35 per NDC per month for claims with dates of service on or after July 1, 2024

### More Information

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We issued CR 13608 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 9, 2024	Initial article released.

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