



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

MLN Matters Number: MM11215

Related Change Request (CR) Number: 11215

Related CR Release Date: April 26, 2019

Effective Date: July 1, 2019

Related CR Transmittal Number: R4285CP

Implementation Date: July 1, 2019

PROVIDER TYPE AFFECTED

This MLN Matters Article is for End-Stage Renal Disease (ESRD) facilities that submit claims to Medicare Administrative Contractors (MACs) for ESRD services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR 11215 instructs providers about a new code added to the HCPCS file and to the list of items and services subject to the ESRD Prospective Payment System (PPS) Consolidated Billing (CB) requirements. Make sure your billing staffs are aware of these additions.

BACKGROUND

Section 153(b) of the Medicare Improvements for Patients and Providers Act (MIPPA) required the implementation of an ESRD PPS effective January 1, 2011. The ESRD PPS provides a single payment to ESRD facilities to cover all resources used in furnishing outpatient dialysis. The ESRD PPS includes CB requirements for limited Part B services included in the ESRD facility's bundled payment. The Centers for Medicare & Medicaid Services (CMS) periodically updates the list of items and services subject to Part B CB and are therefore no longer separately payable when provided to ESRD beneficiaries by providers other than ESRD facilities.

Note: If applicable, the ESRD PPS provides outlier payments for high-cost beneficiaries due to unusual variations in the type or amount of medically necessary care.

CR 11215 provides instruction on the following new code added to the HCPCS file for anemia management. Medicare will add this code to the list of items and services subject to the ESRD PPS CB requirements.

J1444 - Injection, ferric pyrophosphate citrate powder, 0.1 mg of iron

Anemia management is an ESRD PPS functional category. Medicare always considers drugs and biological products falling into this category as used for the treatment of ESRD. ESRD facilities will not receive separate payment for J1444 with or without the AY modifier and the MACs will process the line item as covered with no separate payment under the ESRD PPS. Providers should be aware that MACs will recognize J1444 on the ESRD Type of Bill 72x.

Providers administer J1444 via dialysate. When reporting J1444, you must include the JE modifier as discussed in [CR 8256](#), issued April 26, 2013.

Via 42 CFR 413.237(a)(1), J1444 is an eligible outlier service and Medicare includes it in the outlier calculation. Outlier policy states that if the pricing data is not available on the Average Sale Price (ASP) drug file, then MACs must manually price the drug using pricing methodologies in Section 1847A of the Social Security Act using the guidance in the Medicare Claims Processing Manual, Chapter 17 - Drugs and Biologicals, Section 20.1.3 - Exceptions to Average Sales Price (ASP) Payment Methodology. This manual chapter is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c17.pdf>.

The updated list of renal dialysis services subject to the ESRD PPS CB requirements is available at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/Consolidated_Billing.html.

ADDITIONAL INFORMATION

The official instruction, CR 11215, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4285CP.pdf>. The new CB List is an attachment to this CR.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
April 12, 2021	We replaced an article link with a link to the related CR.
April 29, 2019	Initial article released.

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