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Medicare Fee-for-Service (FFS) Coverage of Costs for Kidney Acquisitions in Maryland Waiver (MW) Hospitals for Medicare Advantage (MA) Beneficiaries

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Related Change Request (CR) Number: 12206

Effective Date: January 1, 2021 - f*or claims we receive on or after October 1, 2021*

Implementation Date: October 4, 2021

Note: We revised this Article to reflect a revised CR 12206. The CR revision didn't impact the substance of the Article. We did change the CR release date, transmittal number, and the web address of the CR. All other information is the same.

Provider Types Affected

This MLN Matters Article is for Maryland Waiver (MW) hospitals that bill Medicare Administrative Contractors (MACs) for kidney care services they provide to Medicare patients.

Provider Action Needed

This article informs you about the implementation of a payment mechanism that allows Medicare Fee-for-Service (FFS) coverage of kidney acquisition costs for Medicare Advantage (MA) beneficiaries. Make sure your billing staff is aware of this change.

Background

In 2019, the State of Maryland and CMS launched the Maryland Total Cost of Care (TCOC) Model to continue the statewide care transformation initiated under the previous Maryland All-Payer Model.

Under the TCOC Model, Maryland continues to set hospital global budgets on an all-payer basis, while maintaining the authority to increase or decrease charges to all payers for a given service within prescribed corridors to achieve their approved global budget amount. Hospitals may adjust their rates 5% above or below the approved rates without seeking permission from the Health Services Cost Review Commission (HSCRC). Hospitals may also ask the HSCRC for permission to adjust rates as much as 10% above or below their approved rates. Hospitals must charge an identical amount to commercial and public payers, including Medicare, However, as a stipulation of the public payer differential, public payers pay 7.7% less than other payers.

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Under the Hospital Payment Program, hospitals get payments in real time for hospital services based on the global budgets set by the HSCRC. Instead of determining the payment amount for claims through the Inpatient Prospective Payment System (IPPS) or the Outpatient PPS (OPPS), CMS pays the claim at 92.3% of the charge, plus adjustments for sequestration.

When the Calendar Year (CY) is over, the HSCRC conducts a retrospective reconciliation with the hospital's TCOC and adjusts the hospital's global budget for the following rate year. This holds the hospital accountable for meeting its global budget and creates a disincentive for exceeding it. Maryland hospitals file cost reports that are generally for information purposes only and don't result in a cost report settlement.

Effective January 1, 2021, the CY 2021 Medicare Parts C & D final rule (85 FR 33796, 33824) specifies that Medicare will cover kidney acquisition costs for MA beneficiaries. Under Medicare FFS, we make final payment for kidney acquisition cost to the hospital through the Medicare cost report.

Maryland Waiver (MW) hospitals currently include kidney acquisition charges along with other solid organ acquisition charges with the applicable organ transplant charges and we pay 92.3% of those charges instead of paying through the Medicare cost report. Thus, there isn't currently a way to identify charges specific to kidney acquisition from other solid organs for tracking and payment purposes.

To comply with policy requirements, we had to create a new value code is needed to ensure that that kidney acquisition charges are appropriately tracked and paid at 92.3%. You must use new provider-submitted value code 91 with an associated dollar amount to report kidney acquisition charges in a numeric field up to 9-positions in 9999999.99 format (91 – Charges for Kidney Acquisition). This code is effective for claims we receive on or after October 1, 2021.

Medicare will only allow value code 91 on the following claims:

- Covered Type of Bill (TOB) is equal to 11X (excluding 110)
- Condition Code 04 is present
- Provider is MW
- Claim admission date is on or after January 1, 2021
- Revenue Code 081X is present (excluding 0815 and 0819)
- Value Code '91' value amount is greater than zero

Claims failing this edit will be returned to the provider.

MACs will use a payer-only value code QK to display the calculated payment amount for kidney acquisition charges.

More Information

We issued CR 12206 to your MAC as the official instruction for this change.

For more information, contact your MAC.

Document History

Date of Change	Description
August 3, 2021	We revised this Article to reflect a revised CR 12206. The CR revision didn't impact the substance of the Article. We did change the CR release date, transmittal number, and the web address of the CR. All other information is the same.
May 11, 2021	Initial article released.