



**News Flash** – Medicare will cover immunizations for H1N1 influenza also called the "swine flu." There will be no coinsurance or copayment applied to this benefit, and beneficiaries will not have to meet their deductible. H1N1 influenza vaccine is currently under production and will be available in the Fall of 2009. For more information, go to <http://www.cms.hhs.gov/H1N1> on the CMS website.

MLN Matters® Number: MM6683

Related Change Request (CR) #: 6683

Related CR Release Date: October 30, 2009

Effective Date: Claims processed on or after April 5, 2010

Related CR Transmittal #: R586OTN

Implementation Date: April 5, 2010

## Validating the Billing of End Stage Renal Disease (ESRD) 50/50 Rule Modifier

### Provider Types Affected

This article is for physicians, laboratories, and providers billing Medicare contractors (carriers or Medicare Administrative Contractors (MACs)) for Automated Multi-Channel Chemistry (AMCC) ESRD-related tests provided to Medicare beneficiaries.

### Provider Action Needed

You should be aware that CR 6683 creates the functionality in the Medicare systems to check that claims for Automated Multi-Channel Chemistry (AMCC) ESRD-related tests for an ESRD beneficiary ordered by a physician from the dialysis facility use the ESRD 50/50 rule modifiers properly. Claims validation will begin with claims processed on or after April 5, 2010.

The background section below sets out the billing instructions to be validated. These instructions were discussed in MM3890, available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3890.pdf> and added to the Medicare Benefit Policy Manual, Chapter 11, Section 30.2.2 and the Medicare Claims Processing Manual, Chapter 16, Section 40.6.1, both available at <http://www.cms.hhs.gov/Manuals/IOM/list.asp> on the Centers for Medicare & Medicaid Services (CMS) website. Make sure that your staff is aware of this validation process.

#### Disclaimer

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## Background

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CR 6683, advises that, effective with claims processed on or after April 5, 2010, Medicare will validate claims for AMCC ESRD-related tests provided to a beneficiary who is ESRD eligible to ensure your compliance with billing instructions regarding the use of the ESRD 50/50 rule modifiers CD, CE, and CF.

The payment of certain ESRD laboratory services performed by an independent laboratory is included in the composite rate calculation for ESRD facilities. When billing Medicare for AMCC ESRD-related tests, laboratories must indicate which tests are or are not included within the ESRD facility composite rate to ensure proper reimbursement.

The ESRD 50/50 rule classifies AMCC ESRD-related tests according to the following categories:

1. AMCC test ordered by an ESRD facility (or a physician included in the monthly capitation payment (MCP), i.e., an MCP physician) that is part of the composite rate and is not separately billable;
2. AMCC test ordered by an ESRD facility (or MCP physician) that is a composite rate test but is beyond the normal frequency covered under the rate and is separately reimbursable based on medical necessity; and
3. AMCC test ordered by an ESRD facility (or MCP physician) that is not part of the composite rate and is separately billable.

When billing for AMCC ESRD-related tests, the laboratory must include the appropriate modifier for each test, as follows:

- **Modifier “CD”** – AMCC test has been ordered by an ESRD facility (or MCP physician) that is part of the composite rate and is not separately billable;
- **Modifier “CE”** – AMCC test has been ordered by an ESRD facility (or MCP physician) that is a composite rate test but is beyond the normal frequency covered under the rate and is separately reimbursable based on medical necessity; or
- **Modifier “CF”** – AMCC test has been ordered by an ESRD facility or MCP physician that is not part of the composite rate and is separately billable.

The proportion (or percentage) of composite tests to non-composite tests billed is used to determine whether separate payment may be made for all tests performed on the same day for the same beneficiary. The chart attached to CR 6683 identifies the AMCC ESRD-related tests and the Web address for accessing CR 6683 is provided in the “Additional Information” section of this article.

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Physicians, providers, and suppliers billing AMCC ESRD-related tests to Medicare must report CD, CE, or CF modifiers for each test. If at least one of the three modifiers is not shown for one of the AMCC ESRD-related test codes, all AMCC ESRD-related tests on the claim will be returned as unprocessable.

When an organ disease panel (i.e., 80076, 80047, 80048, 80053, 80069, 80061, or 80051 in the chart attached to CR 6683) is billed on a claim regardless of whether CD, CE, or CF modifier is used, the claim will be returned as unprocessable.

If the beneficiary is not ESRD eligible or if the ordering physician is not an MCP physician, then the Medicare contractor will process the claim as acceptable and payable as a non-ESRD claim.

## Additional Information

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If you have questions, please contact your Medicare carrier or A/B MAC at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website. The official instruction, CR 6683, issued to your Medicare contractor regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R586OTN.pdf> on the CMS website.

The fact sheet, Outpatient Maintenance Dialysis End-Stage Renal Disease, provides general information about outpatient maintenance dialysis for End-Stage Renal Disease, the composite payment rate system, and separately billable items and services. The fact sheet is available at <http://www.cms.hhs.gov/MLNProducts/downloads/ESRDpaymfctsh08-508.pdf> on the CMS website.

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