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# Program Memorandum Intermediaries

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

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Transmittal A-01-61

Date: MAY 8, 2001

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## CHANGE REQUEST 1651

**SUBJECT: Processing of 1999 Bills Under the End Stage Renal Disease (ESRD) Composite Rate System – ACTION**

### **THIS INSTRUCTION APPLIES TO INTERMEDIARIES ON THE FISCAL INTERMEDIARY STANDARD SYSTEM**

Program Memorandum (PM) A-01-19 (Change Request 1527) dated February 1, 2001, set forth the new ESRD composite payment rates effective April 1, 2001 and January 1, 2002. That PM did not address the processing of outstanding bills payable under the composite rates in effect prior to January 1, 2000, as issued October 1993 under PM A-93-3. Because the current billing system can only accommodate three sets of payment rates, intermediaries will encounter the situation in which 1999 bills submitted between April 1 and December 31 of this year, may be overpaid because of inappropriate application of calendar year 2000 composite payment rates. The calendar year 2000 payment rates are 1.2% higher than those applicable for 1999 and earlier years not beyond the statute of limitations for submission of claims.

In order to minimize the potential for ESRD composite rate overpayments for 1999 bills processed after April 1, 2001, instruct your respective facilities to submit all claims with dates of service 1999 and earlier, no later than June 1, 2001. You must process these claims using manual or alternative processing reflecting the correct 1999 composite rates. Effective June 1, 2001, facilities are to hold any claims with dates of service 1999 and earlier until further notice. Changes to the bill processing system will be implemented no later than October 1, 2001. If a facility disregards this request, hold all 1999 or earlier claims received after June 1, 2001, until the system is capable of processing these claims. **If appropriate, pay interest on clean claims according to the instructions in §3600.1 of the Medicare Intermediary Manual.**

**The *effective date* for the PM is April 1, 2001.**

**The *implementation date* for this PM is May 8, 2001.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after December 31, 2002.**

**If you have questions, contact Doris Barham on (410) 786-6146.**