CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 797

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: DECEMBER 30, 2005

Change Request 4227

SUBJECT: Full Replacement of CR 4095, Diagnosis Code Requirements for Method II Home Dialysis Claims. CR 4095 is Rescinded.

I. SUMMARY OF CHANGES: We have revised the manual to remove requirements that the specific diagnosis code 585.6 be used on home dialysis claims.

NEW/REVISED MATERIAL
EFFECTIVE DATE: October 01, 2005
IMPLEMENTATION DATE: January 30, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
R	8/90/90.2.1/Supplier Documentation Required

III. FUNDING:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Full Replacement of CR 4095, Diagnosis Code Requirements for Method II Home Dialysis Claims. CR 4095 is Rescinded.

I. GENERAL INFORMATION

A. Background:

On October 7, 2005, CMS issued Transmittal 701, Change Request (CR) 4095, which stated that all claims for Method II home dialysis supplies and equipment with dates of service (DOS) on or after October 1, 2005 must contain diagnosis code 585.6. CMS has since learned that there are other diagnosis codes that may be used to indicate a diagnosis of End Stage Renal Disease (ESRD) and are acceptable per Durable Medical Equipment Regional Carrier (DMERC) coverage policies. Therefore, CMS is rescinding the requirement that diagnosis code 585.6 is the only code acceptable for Method II Home Dialysis supply and equipment claims. This CR fully replaces CR 4095.

B. Policy:

All claims submitted to the DMERCs must have a valid diagnosis code. For Method II Home Dialysis supply and equipment claims, suppliers may use any ESRD diagnosis code that is currently valid for billing Medicare per DMERC policy. DMERCs make payment for Method II claims for Medicare patients who have properly executed a Method Selection Form (CMS-382) and who have chosen Method II.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4227.1	DMERCs shall make payment for home dialysis supply and equipment claims for Method II home dialysis patients if the claim contains a valid ESRD diagnosis code.				X					

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
4227.2	Contractors need not search their files to either retract payment for claims already paid or to retroactively pay claims. However, contractors shall adjust claims brought to their attention.				X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
	None.									

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: October 1, 2005 **Implementation Date:** January 30, 2006 **Pre-Implementation Contact(s):** Renée Hildt at renee.hildt@cms.hhs.gov or (410) 786-1446 **Post-Implementation Contact(s):** Renée Hildt at renee.hildt@cms.hhs.gov or (410) 786-1446	**No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.**

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90.2.1 - Supplier Documentation Required

(Rev. 797, Issued: 12-30-05; Effective: 10-01-05; Implementation: 01-30-06)

An order for the supplies or equipment which is reviewed, signed, and dated by the ordering physician must be kept on file by the supplier. The medical records must contain information which supports the medical necessity of the items ordered.

If a miscellaneous supply or equipment code (A4910, A4913, E1699) is used and if the monthly charges for the other codes billed is lower than the payment cap, then the claim must include a narrative which adequately describes each item billed using the miscellaneous codes.

The supplier also must have on file the original written agreement with a Medicare approved dialysis facility (or military or VA hospital) which specifies that it will provide at least the following support services:

- Surveillance of the patient's home adaptation, including provisions for visits to the home or the facility;
- Consultation for the patient with a qualified social worker and a qualified dietician;
- Maintain a record-keeping system which assures continuity of care and includes a record of supplies and equipment provided by the Method II supplier;
- Maintaining and submitting all required documentation to the ESRD network;
- Assuring that the water supply is of the appropriate quality if hemodialysis is the dialysis method;
- Assuring that the appropriate supplies are ordered on an ongoing basis;
- Arranging for the provision of all ESRD related laboratory tests, and billing for the laboratory tests that are included in the composite rate;
- Furnishing institutional dialysis services and supplies;
- Furnishing dialysis-related emergency services; and
- Furnishing all other necessary dialysis services and supplies, dialysate, tubing and gauze pads.

NOTE: As of July 1, 2002, claims to DMERCS must include modifier KX (Specific required documentation on file) on any claim for services requiring such a backup agreement. See §90.4 for more information.