

# End Stage Renal Disease (ESRD) Consolidated Billing Policy

## Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

## Policy Overview

Molina provides payment under the ESRD Prospective Payment System (PPS) for all renal dialysis services furnished to ESRD beneficiaries for outpatient maintenance dialysis. As a result, ESRD facilities are accountable for and compensated for furnishing all renal dialysis services under the ESRD PPS directly or through arrangements.

## Reimbursement Guidelines

The ESRD PPS (End Stage Renal Disease Prospective Payment System) implemented consolidated billing regulations that cover specific Part B items and services included in the ESRD facility's bundled payment. This consolidation encompasses services such as laboratory tests, drugs and biologicals, equipment, and supplies fall under consolidated billing.

Note that these services are no longer separately reimbursable when administered to ESRD beneficiaries by providers other than the ESRD facility. Under consolidated billing, ESRD facilities are required to deliver these services directly, or under an arrangement with an outside supplier.

If a provider other than the ESRD facility offers renal dialysis services to an ESRD beneficiary, that provider should seek payment from the ESRD facility instead of submitting a claim to their Medicare Administrative Contractor (MAC).

When a provider other than an ESRD facility administers renal dialysis services to an ESRD beneficiary for reasons unrelated to the treatment of ESRD, the claim submitted must include the AY modifier. Note that the AY modifier is necessary to enable separate payment under Medicare guidelines.

Example: If an ESRD beneficiary is also receiving treatment for cancer and undergoes a laboratory test related to their cancer care, the laboratory should include the AY modifier in the claim to receive payment for that specific service outside of the ESRD PPS.

## Supplemental Information

### Definitions

| Term | Definition                                   |
|------|--|
| CMS  | The Centers for Medicare & Medicaid Services |

|      |                                    |
|------|------------------------------------|
| DOS  | Date of Service                    |
| ESRD | End Stage Renal Disease            |
| MAC  | Medicare Administrative Contractor |
| PPS  | Prospective Payment System         |
| UB   | Uniformed Billing                  |

## State Exceptions

| State    | Exception   |
|----------|---|
| IL       | <ul style="list-style-type: none"> <li>Exclude CPT J0606</li> </ul>   |
| Medicare | <ul style="list-style-type: none"> <li>Exclude Rev Code 80X</li> <li>Exclude Modifier AY</li> <li>Exclude HCPCS code J0604</li> </ul>   |
| OH       | <ul style="list-style-type: none"> <li>Exclude Modifier 1: AY, 59, 91</li> <li>Exclude CPT: J0606, 80047, 80048, 80051, 80053, 80069, 80076, 82306, 82330, 82575, 83550, 84466, 84540, 85046, 87075, 87081, J0604, J0610, J0882, J0887, J1200, J1270, J1756, J1940, J2501, J2916, Q0163, Q4081, Q5105</li> <li>Exclude Rev Code: 0800, 0801, 0802, 0803, 0804, 0809, 0820, 0821, 0822, 0823, 0824, 0825, 0826, 0829, 0830, 0831, 0832, 0833, 0834, 0835, 0839, 0840, 0841, 0842, 0843, 0844, 0845, 0849, 0850, 0851, 0852, 0853, 0854, 0855, 0859, 0880, 0881, 0882, 0889, 800, 801, 802, 803, 804, 809, 820, 821, 822, 823, 824, 825, 826, 829, 830, 831, 832, 833, 834, 835, 839, 840, 841, 842, 843, 844, 845, 849, 850, 851, 852, 853, 854, 855, 859, 880, 881, 882, 889</li> </ul> |
| SC       | SC Medicaid does not pay ESRD (End Stage Renal Disease) PPS   |
| WA       | <ul style="list-style-type: none"> <li>Exclude claims paid Medicaid method services in the Medicaid fee schedule.</li> <li>Reports should <b>include</b>: <ul style="list-style-type: none"> <li>Contract description</li> <li>Contract term description</li> <li>Term type for both claims to aid in determining any special contract language.</li> </ul> </li> </ul>   |
| WI       | <ul style="list-style-type: none"> <li>Exclude claims with Custom contracts 'MP - HOSP – HSHS' for WI</li> </ul>  |

## Documentation History

| Type                  | Date       | Action           |
|-----------------------|------------|------------------|
| Initial Creation Date | 04/26/2024 | New Policy       |
| Revised Date          | 07/09/2024 | Updated Template |
| Revised Date          | 12/16/2024 | Updated Template |
| Revised Date          | 08/04/2025 | Updated Template |

## References

This policy was developed using:

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

| Reference          | Link   |
|--------------------|--|
| <b>CMS</b>         | <a href="#">ESRD PPS Consolidated Billing   CMS</a><br><a href="#">ESRD PPS Outlier Services   CMS</a><br><a href="#">Items and Services Subject to ESRD PPS Consolidated Billing Effective 1-1-2022 - CR11506 (cms.gov)</a> |
| <b>AZ Medicaid</b> | <a href="#">FFS_Chap15Dialysis.pdf (azahcccs.gov)</a>  |
| <b>CA Medicaid</b> | <a href="#">Dialysis: End Stage Renal Disease Services - CA.gov</a><br><a href="#">UB-04 Special Billing Instructions for Outpatient Services (CA.gov)</a>   |
| <b>FL Medicaid</b> | <a href="#">Myflorida.com - Page 4-4</a>   |
| <b>IA Medicaid</b> | <a href="#">Iowa.gov - 441.79.1.pdf - Ch 79 - Page 47</a>  |
| <b>IL Medicaid</b> | <a href="#">IL Handbook for Practitioners Rendering Medical Services - Section 228 - Page 58</a>   |
| <b>MI Medicaid</b> | <a href="#">HASA-22-18-Updates.pdf (michigan.gov)</a>  |
| <b>MS Medicaid</b> | <a href="#">Mississippi Division of Medicaid - PPS Consolidated Billing list</a>   |
| <b>NV Medicaid</b> | <a href="#">NV BillingGuide PT45 and PT81 - Page 2</a>   |
| <b>NY Medicaid</b> | <a href="#">ESRD (ny.gov)</a>  |
| <b>OH Medicaid</b> | <a href="#">Rule 5160-13-02 - Ohio Administrative Code   Ohio Laws</a>   |
| <b>TX Medicaid</b> | <a href="#">Renal Dialysis Benefits to Change for CSHCN September 1, 2023   TMHP</a>   |
| <b>UT Medicaid</b> | <a href="#">EndStageRenalDisease.pdf (utah.gov)</a>  |
| <b>WA Medicaid</b> | <a href="#">Washington Apple - Kidney Disease Program Manual (01/01/2024)</a>  |
| <b>WI Medicaid</b> | <a href="#">WI Gov - ESRD070122.pdf</a>  |

**\*CODING DISCLAIMER.** Codes listed in this policy are for reference purposes only and may not be all-inclusive. Deleted codes and codes which are not effective at the time the service is rendered may not be eligible for reimbursement. Listing of a service or device code in this policy does guarantee coverage. Coverage is determined by the benefit document. Molina adheres to Current Procedural Terminology (CPT®), a registered trademark of the American Medical Association (AMA). All CPT codes and descriptions are copyrighted by the AMA; this information is included for informational purposes only. Providers and facilities are expected to utilize industry standard coding practices for all submissions. When improper billing and coding is not followed, Molina has the right to reject/deny the claim and recover claim payment(s). Due to changing industry practices, Molina reserves the right to revise this policy as needed.