



SoonerCare Provider Reimbursement Notice

OKC Metro Area (405) 522-6205 / Statewide Toll-Free (800) 522-0114

ESRD Prospective Payment System

OHCA PRN 2012-03

May 24, 2012

ESRD Providers

In PRN 11-04, the Oklahoma Health Care Authority (OHCA) advised that we will adopt a new End Stage Renal Disease (ESRD) Prospective Payment System (PPS) payment methodology beginning July 1, 2012. This letter is to update you on the changes and to provide guidance related to the new payment methodology that will be used by the SoonerCare program.

OHCA will update the new SoonerCare ESRD PPS rates effective July 1, 2012. As soon as the Centers for Medicare and Medicaid Services (CMS) new ESRD pricer is published, OHCA will send out rate letters to each facility.

The new OHCA payment methodology is based on the Medicare ESRD PPS however OHCA will not duplicate all aspects of the Medicare version. Below is a summary of the new method to be used by SoonerCare.

The new SoonerCare ESRD PPS will replace the composite payment system as well as the method for reimbursement of most separately billable ESRD related items and services. The SoonerCare ESRD PPS provides a single bundled payment to ESRD facilities that will cover all resources used in furnishing outpatient dialysis treatment including supplies and equipment used to administer dialysis, drugs, biological, labs, and training and support services.

Scope of Bundle

Composite Rate Services

The SoonerCare ESRD PPS includes those items and services that are incorporated in the composite rate for renal dialysis services including maintenance dialysis treatments and all associated services including dialysis-related drugs, laboratory tests, equipment, supplies and staff time.

Drugs

Effective July 1, 2012, all ESRD-related drugs and biologicals are included in the ESRD PPS and must be billed by the renal dialysis facility. If a drug or biological is billed by providers other than the ESRD facility and the drug or biological furnished is designated as a drug or biological that is included in the ESRD PPS (ESRD-related), the claim will be considered inappropriate and subject to recoupment. In the event that a drug or biological was furnished to an ESRD beneficiary for reasons not related to the treatment of ESRD, the provider may submit a claim for separate payment. The CMS list of drugs and biologicals for consolidated billing are designated as always ESRD-related and therefore do not allow a separate payment to be made to ESRD facilities. Further, OHCA will consider all drugs reported on the renal dialysis facility claim included in the ESRD PPS.

*Effective July 1, 2012, due to the bundled payment methodology, Epoetin Alfa and Darbepoetin Alfa will no longer require prior authorization.

Oral-Only Drugs and Oral Drugs with an Injectable Equivalent

In accordance with CMS, oral-only drugs are not included in the bundle until January 1, 2014. Oral drugs with an injectable equivalent **are** included in the bundle.

The OHCA will maintain a table of codes that are considered separately billable. This table will be updated periodically if new codes are approved.

Laboratory Tests

Effective July 1, 2012, all ESRD-related laboratory tests must be billed by the renal dialysis facility whether provided directly or under arrangements with an independent lab. When laboratory services are billed by providers other than the ESRD facility and the laboratory service furnished is designated as a lab that is included in the ESRD PPS (ESRD-related), the claim will be considered inappropriate and subject to recoupment. In the event that a laboratory service was furnished to an ESRD beneficiary for reasons not related to the treatment of ESRD, the provider may submit a claim for separate payment

ESRD-Related Laboratory Tests

The OHCA will refer to the CMS published list of 53 ESRD-related laboratory services that will be subject to the new ESRD PPS to determine whether a lab is considered part of the bundle. For purposes of the SoonerCare ESRD PPS, any tests included on the list will be considered renal dialysis services and paid for as part of the bundled payment amount to the facility. ESRD-related laboratory tests will still be required to be included on the claims form.

The OHCA will maintain a table of codes that are considered separately billable. This table will be updated periodically if new codes are approved.

Claims Processing

The SoonerCare ESRD PPS requires a single payment to be made for renal dialysis services and other items and services related to home dialysis through the ESRD facility. As such, the implementation of the SoonerCare ESRD PPS necessitates changes to the way OHCA will process claims. These changes largely involve establishing consolidated billing rules and edits as well as some changes to the data elements reported on claims. For the SoonerCare ESRD PPS, the billing responsibility for all renal dialysis services is shifted onto the ESRD facility. Therefore, payment for these services will only be made to an ESRD facility to prevent duplicate SoonerCare payments. In the event that providers of services other than the ESRD facility inadvertently bill SoonerCare for ESRD-related services that are included under the SoonerCare ESRD PPS, OHCA will recoup payments.

ESRD facilities will be required to bill the line item for all items and services. OHCA will pay the bundled PPS rate and zero pay all other items and services on the claim, unless separately billable. Please use the appropriate revenue code from the table below:

Revenue Code	Revenue Code Description
821	HEMO/DIALYSIS
831	PERITONEAL/DIALYSIS
841	CAPD/DIALYSIS
851	CCPD/DIALYSIS
880	MISCELLANEOUS DIALYSIS
881	ULTRAFILTRATION

Drugs and Biologicals

Contracted pharmacies are to bill ESRD-related drugs to the ESRD facility and non-ESRD-related drugs to SoonerCare.

Laboratories

Independent laboratories will not be permitted to bill SoonerCare for ESRD-related services paid under the ESRD PPS as of July 1, 2012. Laboratory tests included on CMS' list of ESRD-related laboratory tests, if furnished to ESRD patients by the facility directly or under arrangement, will be considered renal dialysis services and be covered under the ESRD PPS bundled payment. However, as noted earlier, if a laboratory test is furnished by the ESRD facility or by an independent laboratory for reasons that are not ESRD-related, then the laboratory test can be billed for separate payment.

Home Dialysis

Home dialysis items and services will be covered under the ESRD PPS payment and no separate payments will be made. To the extent that supplies or equipment are used for non-ESRD-related purposes, those supplies or equipment may be billed separately.

Separately Billable Services

Services that are not considered part of the ESRD PPS bundle include: the furnishing of blood, blood products and supplies, vaccines and telehealth. These items remain separately billable. See table below for current list of separately billable services:

Procedure Code From	Procedure Code To	Effective Date
90655	90657	7/1/2012
90660	90660	7/1/2012
90669	90669	7/1/2012
90732	90732	7/1/2012
90740	90740	7/1/2012
90743	90744	7/1/2012
90746	90747	7/1/2012
G0008	G0010	7/1/2012
J3370	J3370	7/1/2012
P9010	P9012	7/1/2012
P9016	P9017	7/1/2012
P9019	P9023	7/1/2012
P9031	P9040	7/1/2012
P9043	P9044	7/1/2012
P9048	P9048	7/1/2012
P9050	P9060	7/1/2012
Q2035	Q2039	7/1/2012
Q3014	Q3014	7/1/2012

Calculation of Payments

The OHCA will calculate a facility specific wage adjusted rate for each ESRD facility contracted with SoonerCare that will be paid per treatment unit. This rate is the PPS wage adjusted base rate as calculated using the CMS ESRD PC Pricer. The only adjustment to the base rate is the wage levels among the areas in which ESRD facilities are located. There are no patient-level, facility-level, or outlier adjustments. There is also no add-on payment for dialysis training or changes in payment amounts based on adult/pediatric patients. Rates will continue to be updated annually on July 1.

If you have any questions or require additional information please phone Aaron Morris at (405) 522-7533 or email at Aaron.Morris@okhca.org. Thank you for your continued service to Oklahoma's *SoonerCare* members.