Non-ESRD Facility Dialysis Billing and Coding

Medicare provides special coverage for persons with end-stage renal disease (ESRD.) Eligibility for Medicare benefits based on ESRD works differently than other types of Medicare eligibility – individuals who meet other eligibility requirements can sign up when diagnosed with ESRD, regardless of age. There is a coordination of benefits period of 30 months for beneficiaries who qualify for Medicare based on ESRD and who also have group health coverage – the group health coverage is primary during the 30-month waiting period. After 30 months, Medicare ESRD coverage becomes primary. Consequently, many patients with ESRD are Medicare beneficiaries.

One of the most common services that ESRD beneficiaries may require is dialysis. The two most common types of dialysis are hemodialysis and peritoneal dialysis:

- **Hemodialysis** – ongoing dialysis (3 to 5 times a week) that cleans the blood, usually provided at an outpatient ESRD dialysis center. Hemodialysis patients typically have an access port in the arm.
- **Peritoneal dialysis** -- ongoing daily dialysis that collects waste from the blood by washing the empty space in the abdomen (peritoneal cavity). It can be done in the home setting, or within a facility in the outpatient or inpatient setting. The peritoneal dialysis access port is in the abdomen.

Coding for outpatient dialysis at a non-ESRD facility differs depending on the beneficiary's coverage (ESRD or non-ESRD), eligibility for Part A or Part B Only, and the type of dialysis service provided.

ESRD Beneficiaries -- Medicare covers routine dialysis treatments for an ESRD beneficiary only when furnished in an ESRD-certified facility. However, Medicare will cover emergency dialysis treatments in an outpatient department of a hospital, and dialysis services performed for ESRD beneficiaries during an acute inpatient hospital stay.

Non-ESRD beneficiaries are not ESRD patients, but may require dialysis to treat a non-ESRD condition. Medicare covers outpatient dialysis performed for a non-ESRD beneficiary at a non-ESRD facility.

The following table illustrates the three HCPCS codes which represent dialysis procedures performed in a non-ESRD outpatient hospital facility setting:

Beneficiary Coverage	Hospital Status / Type of Bill	Type of Dialysis Service	HCPCS/CPT®
ESRD	Outpatient 13X CAH 85X	Hemodialysis	**G0257** - Unscheduled or emergency dialysis treatment for an ESRD patient in a hospital outpatient department that is not certified as an ESRD facility
Part B-Only (Non-ESRD)	Inpatient 12X	Hemodialysis	**90935** - hemodialysis procedure with single evaluation by a physician or other qualified health care professional
Non ESRD Outpatient	Outpatient 13X CAH 85X		
Part B Only (Non-ESRD)	Outpatient 13X CAH 85x Inpatient 12X	Dialysis *other than hemodialysis* (e.g., peritoneal dialysis, hemofiltration, etc.)	**90945** - Dialysis procedure other than hemodialysis (eg, peritoneal dialysis, hemofiltration, or other continuous renal replacement therapies), with single evaluation by a physician or other qualified health care professional

Links and excerpts from the Medicare Claims Processing manual are provided below:

https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf

200.2 - Hospital Dialysis Services For Patients With and Without End Stage Renal Disease (ESRD)

(Rev. 2455, Issued: 04-26-12, Effective: 10-01-12, Implementation; 10-01-12)

Effective with claims with dates of service on or after August 1, 2000, hospital-based End Stage Renal Disease (ESRD) facilities must submit services covered under the ESRD benefit in 42 CFR 413.174 (maintenance dialysis and those items and services directly related to dialysis such as drugs, supplies) on a separate claim from services not covered under the ESRD benefit. Items and services not covered under the ESRD benefit must be billed by the hospital using the hospital bill type and be paid under the Outpatient Prospective Payment System (OPPS) (or to a CAH at reasonable cost). Services covered under the ESRD benefit in 42 CFR 413.174 must be billed on the ESRD bill type and must be paid under the ESRD PPS. This requirement is necessary to properly pay only unrelated ESRD services (those not covered under the ESRD benefit) under OPPS (or to a CAH at reasonable cost).

Medicare does not allow payment for routine or related dialysis treatments, which are covered and paid under the ESRD PPS, when furnished to ESRD patients in the outpatient department of a hospital. However, in certain medical situations in which the ESRD outpatient cannot obtain her or his regularly scheduled dialysis treatment at a certified ESRD facility, the OPPS rule for 2003 allows payment for non-routine dialysis treatments (which are not covered under the ESRD benefit) furnished to ESRD outpatients in the outpatient department of a hospital. Payment for unscheduled dialysis furnished to ESRD outpatients and paid under the OPPS is limited to the following circumstances:

- Dialysis performed following or in connection with a dialysis-related procedure such as vascular access procedure or blood transfusions;
- Dialysis performed following treatment for an unrelated medical emergency; e.g., if a patient goes to the emergency room for chest pains and misses a regularly scheduled dialysis treatment that cannot be rescheduled, CMS allows the hospital to provide and bill Medicare for the dialysis treatment; or
- Emergency dialysis for ESRD patients who would otherwise have to be admitted as inpatients in order for the hospital to receive payment.

In these situations, non-ESRD certified hospital outpatient facilities are to bill Medicare using the Healthcare Common Procedure Coding System (HCPCS) code G0257 (Unscheduled or emergency dialysis treatment for an ESRD patient in a hospital outpatient department that is not certified as an ESRD facility).

HCPCS code G0257 may only be reported on type of bill 13X (hospital outpatient service) or type of bill 85X (critical access hospital) because HCPCS code G0257 only reports services for hospital outpatients with ESRD and only these bill types are used to report services to hospital outpatients. Effective for services on and after October 1, 2012, claims containing HCPCS code G0257 will be returned to the provider for correction if G0257 is reported with a type of bill other than 13X or 85X (such as a 12x inpatient claim).

HCPCS code 90935 (Hemodialysis procedure with single physician evaluation) may be reported and paid only if one of the following two conditions is met:

http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c08.pdf#

10.5 - Hospital Services

(Rev. 10640, Issued:08-06-21, Effective:09-07-21, Implementation:09-07-21)

Outpatient dialysis services for a patient with acute kidney failure or chronic kidney failure but not eligible for Medicare under the ESRD provisions at the time services are rendered must be billed by the hospital and cannot be billed by a Medicare certified renal dialysis facility on bill type 72x.

Hospitals with a Medicare certified renal dialysis facility should have outpatient ESRD related services billed by the hospital-based renal dialysis facility on bill type 72x. Hospitals that do not have a Medicare certified renal dialysis facility may bill for outpatient emergency or unscheduled dialysis services. The *Prospective Payment System (PPS) base rate* is not paid. For more information regarding the outpatient hospital billing policy for ESRD related services, see chapter 4 section 210 of this manual.

When an individual is furnished outpatient hospital services and is thereafter admitted as an inpatient of the same hospital due to renal failure - within 24 hours for non PPS hospitals and within 72 hours for PPS hospitals - the outpatient hospital services furnished are treated as inpatient services unless the patient does not have Part A coverage. Charges are reported on the ASC X12 837 institutional claim format or on Form CMS-1450. The day on which the patient is formally admitted as an inpatient is counted as the first inpatient day. The *PPS base rate* is not paid.