Billing update to End Stage Renal Disease (ESRD) facilities

The Defense Health Agency (DHA) has updated TRICARE policy to no longer consider ESRD facilities (freestanding kidney dialysis centers) as Corporate Services Providers (CSP). These freestanding ESRD facilities are now recognized as authorized institutions for reimbursement and certification requirements and will need to meet the following criteria for reimbursement as listed in TRICARE Policy Manual Chapter 11, Section 2.10:

- Be classified as a freestanding ESRD facility by Medicare and be Medicare-certified
- Be a TRICARE participating provider, and
- Agree to accept the TRICARE payment as full payment for the care, services or supplies

Freestanding ESRD providers that meet the above requirements are authorized as TRICARE institutional providers. Providers who do not meet the criteria will no longer receive TRICARE reimbursement as a CSP for dates of services on or after January 12, 2023.

This change aligns TRICARE with Medicare for reimbursement which includes a limitation of three dialysis sessions per week unless medical justification is provided and approved. Freestanding ESRD facilities should seek reimbursement for the facility/institutional component of dialysis sessions on a UB-04 claim form.

See TRICARE Reimbursement Manual (TRM), Ch. 18, Sec. 1 for more information.

Find out more about covered dialysis services in the TPM, Ch. 7, Sec. 4.2.

Find out more: ESRD Prospective Payment System (PPS) consolidated billing

Internal FAQs:

What are the recent changes to TRICARE's freestanding End Renal Stage Disease (ESRD)/kidney dialysis facilities billing?

Prior to this change, freestanding kidney dialysis facilities (ESRDs) were classified as Corporate Service Providers (CSP). Now ESRDs are recognized as institutional providers for reimbursement and certification requirements, which includes Medicare certification.

What impacts to reimbursement do providers need to be aware of?

TRICARE is aligning with Medicare for reimbursement which includes the limitation of three sessions per week without documentation to support medical necessity. Also, providers must submit claims on the UB-04 for dialysis services furnished on day of dialysis and for all home dialysis services, whether such services are provided directly or under arrangements to seek reimbursement.

What requirements must be met for a facility to be considered an ESRD?

The freestanding ESRD facility will need to meet the following criteria for reimbursement as listed in TRICARE Policy Manual Chapter 11, Section 2.10:

- Be classified as a freestanding ESRD facility by Medicare and be Medicare-certified
- Be a TRICARE participating provider, and

Agree to accept the TRICARE payment as full payment for the care, services or supplies

Are freestanding ESRD providers that meet the above requirements authorized TRICARE institutional providers?

Yes.

What termination date will be used if the freestanding ESRD CSP provider does not meet the new institutional requirements?

The provider will be terminated effective January 12, 2023.

What is the status of freestanding ESRD facilities that do not meet the criteria?

Providers who do not meet the criteria will no longer receive TRICARE reimbursement as a Corporate Service Provider for dates of services on or after January 12, 2023.

Will freestanding ESRD facilities that meet all institutional criteria be required to sign a new participation agreement?

No, these facilities are Medicare-certified so they will not need to sign a separate TRICARE participation agreement.

How are hospital-based ESRD facilities reimbursed?

Hospital-based ESRD facilities will be reimbursed using other applicable reimbursement systems (e.g., the Outpatient Prospective Payment System (OPPS)). See TRM Ch. 18, Sect. 1.

How are freestanding ESRD facilities reimbursed?

Freestanding ESRD facilities are reimbursed per session rates, which are wage adjusted.

Are per session rates applicable to dialysis treatments rendered either in the clinic or home setting?

Yes, per session rates are applicable in either clinic or home setting. See TRM Ch. 18, Sec 1, Para 3.5.

What is the maximum number of weekly sessions allowed?

There is a maximum of three weekly sessions allowed, unless medical justification is provided and approved.

What services are included in the per-session rate?

The following services are included in the per-session rate:

- Institutional charges (e.g., charges for facility use or treatment rooms and general nursing services) including the services of technicians, nurses, other staff involved in establishing, monitoring, or discontinuing the dialysis session
- Laboratory services related to dialysis session
- Pharmaceuticals related to the dialysis session
- Dialysis training add-on payment for treatment days 1-120

What services are not included in the per-session rate?

Services not included in the per-session rate include:

- Evaluation and Management (E&M) services provided by authorized individual professional providers,
- Drugs, supplies, and devices listed by Medicare as eligible for transitional drug add-on payment adjustment and transitional add-on payment adjustment for new and innovative equipment and supplies,
- Professional services, supplies, and drugs unrelated to dialysis care,
- Dialysis training services for treatment days 121 and beyond (must have condition code 73 or 87 or revenue codes 829, 839, 849, or 859).

How do freestanding ESRD facilities seek reimbursement for the facility/institutional component of dialysis sessions rendered in the clinic or home setting?

All freestanding ESRD facilities must bill on a UB-04 claim form with Type of Bill 72X with the appropriate revenue codes and CPT/HCPCS codes 90999 (for ESRD claims) or G0491 (for Acute Kidney Injury claims) for the facility/institutional component of the dialysis session. This requirement is for all settings, including home dialysis services. In-home dialysis services must be bill with condition code 74.

Is there a condition code for dialysis services provided in the home setting?

Yes, in-home dialysis services must be billed with condition code 74.

Where can I find additional information about this change?

See TRICARE Policy Manual (TPM), Ch.11, Sec. 2.10 Freestanding ESRD Facilities for more information about the criteria for reimbursement.

See TRICARE Reimbursement Manual (TRM), Ch. 18, Sec 1.

Find out more about covered dialysis services in the TPM, Ch. 7, Sec. 4.2.

Find out more: ESRD Prospective Payment System (PPS) consolidated billing.