



# **END STAGE RENAL DISEASE**

*Chapter Seventeen of the Medicaid Services Manual*

**Issued February 1, 2012**

Claims/authorizations for dates of service on or after October 1, 2015 must use the applicable ICD-10 diagnosis code that reflects the policy intent. References in this manual to ICD-9 diagnosis codes only apply to claims/authorizations with dates of service prior to October 1, 2015.

**State of Louisiana  
Bureau of Health Services Financing**

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**SECTION 17.0: OVERVIEW****PAGE(S) 1**

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### **OVERVIEW**

Dialysis treatment replaces the function of the kidneys, which normally serve as the body's natural filtration system. Through the use of a blood filter and a chemical solution known as dialysate, the treatment removes waste products and excess fluids from the bloodstream, while maintaining the proper chemical balance of the blood. There are two types of dialysis treatment:

1. Hemodialysis; and
2. Peritoneal dialysis.

Dialysis services are covered as an optional medical service for Louisiana Medicaid beneficiaries. Louisiana Medicaid will reimburse enrolled free-standing end stage renal disease (ESRD) facilities for the services outlined in this chapter to include, but not limited to, the following:

1. Dialysis treatment including routine laboratory services;
2. Medically necessary non-routine laboratory services; and
3. Medically necessary injections.

The purpose of this chapter is to set forth the conditions and requirements of ESRD facilities for reimbursement under the Louisiana Medicaid program.

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### **COVERED SERVICES**

Only outpatient end stage renal disease (ESRD) services are covered at Medicaid enrolled free-standing ESRD centers. Louisiana Medicaid covers renal dialysis services for the first three months of dialysis, pending Medicare eligibility. Covered services include renal dialysis treatments (hemodialysis and peritoneal dialysis), routine laboratory services, non-routine laboratory services and medically necessary injections.

**NOTE:** Hospital inpatient ESRD services are not covered at free-standing ESRD centers.

#### **Hemodialysis**

Louisiana Medicaid provides reimbursement to free-standing ESRD facilities for hemodialysis services.

#### **Peritoneal Dialysis**

Continuous Ambulatory Peritoneal Dialysis (CAPD) and Continuous Cycling Peritoneal Dialysis (CCPD) services may be provided to home dialysis patients. Providers approved for CAPD services may also provide CCPD services.

For both services, Louisiana Medicaid utilizes Medicare's composite rate reimbursement system, Method I only. Under this reimbursement system, the dialysis facility must assume responsibility for providing all home dialysis equipment, supplies, and home support services. Some of the support services include the administering of medications, training the beneficiary to perform the home dialysis treatment, and the delivery of supplies. Reimbursement for these support services is included in the composite rate.

Support services specifically applicable to the home CAPD and CCPD beneficiary include:

1. Changing the connection tube (also referred to as an administration set);
2. Observing the beneficiary perform CAPD and CCPD to:
  - a. Ensure the process is completed correctly;
  - b. Instruct the beneficiary in the techniques they may have forgotten; or
  - c. Inform the beneficiary of modifications in the apparatus or technique.

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3. Documenting whether the beneficiary has or had peritonitis that requires physician intervention or hospitalization. (Unless there is evidence of peritonitis, a culture for peritonitis is not necessary);
4. Inspecting the catheter site;
5. Drawing blood samples;
6. Administering medications prescribed by the beneficiary's physician to treat a renal related condition;
7. Administering blood or blood products prescribed by the physician;
8. Providing social services consultation and/or intervention;
9. Performing delivery, installation, maintenance, repair and testing of the cyclor; and
10. Delivering all dialysis related supplies.

**Equipment and Supplies for Home Dialysis**

Providers will be reimbursed for the covered items in accordance with the Durable Medical Equipment (DME) Program guidelines. These items must be requested by a DME provider and prior authorized by the fiscal intermediary's (FI's) Prior Authorization Unit (PAU). The DME manual provides information on covered services and the prior authorization (PA) process. (See Appendix A for information on accessing manuals).

**Laboratory Services**

Louisiana Medicaid reimburses ESRD providers for both routine and non-routine laboratory services. Providers may contract with outside laboratories to perform these laboratory procedures.

**Routine Laboratory Services**

Routine laboratory work is an integral part of outpatient hemodialysis services. Reimbursement for routine laboratory services is included in the dialysis reimbursement rate and cannot be billed separately by the dialysis facility nor a contracted laboratory.

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Routine laboratory services with the allowed frequency are included in the following table:

<b>HEMODIALYSIS</b>		<b>PERITONEAL DIALYSIS</b>	
<b>Frequency</b>	<b>Routine Laboratory Service</b>	<b>Frequency</b>	<b>Routine Laboratory Service</b>
PER DIALYSIS	Hematocrit (HCT)	MONTHLY	Blood Urea Nitrogen (BUN)
WEEKLY	Prothrombin time for beneficiaries on anticoagulant therapy		Creatinine
	Serum Creatinine		Sodium
	BUN		Dialysate Protein
MONTHLY	Complete Blood Count (CBC)		Albumin Hgb
	Serum Calcium		Carbon Dioxide
	Serum Potassium		Lactate Dehydrogenase
	Serum Chloride		Phosphate
	Serum Bicarbonate		Aspartate Aminotransferase (AST or SGOT)
	Serum Phosphorus		Magnesium Alkaline Phosphates
	Total Protein		Calcium
	Serum Albumin		Total Protein
	Alkaline Phosphatase		Potassium
	AST or SGOT		HCT
	Lactate Dehydrogenase		

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**Non-Routine Laboratory Services**

Covered non-routine laboratory services performed by approved Medicaid laboratories, must be medically necessary and documented by the physician. Claims for these medically necessary services may be submitted separately by either the contracted laboratory or by the dialysis facility.

The ESRD facility and their contracted laboratory must coordinate billing to ensure duplicate payments do not occur. All claims are subject to post payment review and recoupment of over payments.

Billed charges on claims for covered non-routine laboratory services submitted by the dialysis provider shall not exceed the amount the dialysis provider paid to their contracted laboratory for the same procedure on the same date of service.

**Epoetin Alfa**

Epoetin alfa (EPO), also referred to as Epoetin or Epogen, is covered under Louisiana Medicaid when it is used to treat anemia associated with chronic renal failure. Beneficiaries with this condition include those who require renal dialysis and are eligible for Medicare under the ESRD provisions of the law. EPO may be administered either intravenously or subcutaneously for the treatment of anemia associated with chronic renal failure.

Providers should address the following in their medical documentation:

1. Iron deficiency (most beneficiaries will need supplemental iron therapy while being treated, even if they do not start out iron deficient);
2. Concomitant conditions such as infection, inflammation, or malignancy. (These conditions should be addressed insofar as possible for EPO to have maximum effect);
3. Unrecognized blood loss (beneficiaries with kidney disease and anemia may have chronic blood loss, usually gastrointestinal, as a reason for the anemia. As a result, the effectiveness of EPO will be limited);
4. Concomitant hemodialysis, bone marrow dysplasia, or refractory anemia for a reason other than renal disease, such as aluminum toxicity;
5. Folic acid or vitamin B12;

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6. Circumstances in which the bone marrow is replaced with other tissue, such as malignancy or osteitis fibrosa cystica; and
7. Beneficiary's weight, required current dose, a historical record of the amount that has been given, and the HCT response to date.

Coverage can be made for facility-dialyzed beneficiaries, as well as for beneficiaries who dialyze at home and are competent to use the drug without medical or other supervision. The facility is required to limit the "on-hand" supply to home dialysis beneficiaries up to a two-month supply. The facility may bill up to a two-month supply initially, and must thereafter bill a one-month supply.

**Criteria for Selection of Beneficiaries Qualified to Self-Administered EPO in the Home**

The beneficiary's dialysis facility or the physician responsible for furnishing all dialysis-related services to the beneficiary can participate in beneficiary selection, training, and monitoring. In considering EPO therapy in the home setting, it is important for the dialysis facility or the physician responsible for all dialysis-related services to assess the degree of self-care that is feasible; i.e., whether the beneficiary will actually be able to administer the drug, and if not, whether the beneficiary would have the necessary assistance from an available care-giver. In order to be selected for home use of EPO, the beneficiary must meet the following criteria:

1. Be a home dialysis patient (utilizing either CAPD or CCPD method);
2. Have a HCT (or comparable hemoglobin) of less than 30 percent, unless medical documentation justifies a beneficiary's need for EPO with a HCT higher than 30 percent;
3. Be under the care of the physician who is responsible for the dialysis-related services and who prescribes EPO, and be under the care of the renal dialysis facility that establishes the plan of care (POC) for the services and monitors the progress of the home EPO therapy; and
4. Be trained by the facility to inject EPO or have an appropriate care-giver who is trained to inject EPO.

In addition, the following requirements must be met:

1. Prior to the determination that the beneficiary is a candidate for use of EPO in the home, the beneficiary's HCT (or hemoglobin), serum iron, transferrin saturation, serum ferritin, and blood pressure must be measured;

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2. The beneficiary's physician or facility must develop an appropriately designed protocol for the beneficiary for the safe and effective use of the drug. The protocol must include monitoring the beneficiary's blood pressure;
3. The beneficiary must be capable of performing self-administration of EPO, be able to read the drug labeling, or have a primary care-giver who can perform these tasks; and
4. The beneficiary must be able to adhere to a disciplined medical program.

**Patient Care Plan**

To ensure adequate monitoring of home EPO therapy, the patient care plan for a beneficiary who is home dialysis patient using EPO in the home must include the following:

1. A review of diet and fluid modification to monitor iron stores and hyperkalemia related to dietary indiscretion or elevated blood pressure;
2. A re-evaluation of the beneficiary's dialysis prescription, taking into account the beneficiary's increased appetite and red blood cell volume;
3. A method of teaching the beneficiary to identify the signs and symptoms of hypotension and hypertension;
4. The decrease or discontinuance of EPO if hypertension is uncontrolled; and
5. A method of follow-up on blood work and a means to keep the physician informed of the results.

If a beneficiary is not competent to use EPO in the home without supervision, and the drug has been prescribed, the dialysis facility should administer the drug.

**Medically Necessary Injections**

Certain injections that are covered under Louisiana Medicaid are usually billed in connection with hemodialysis treatments. Reimbursement for each of these items ONLY covers the cost of the drug. Reimbursement for the administration of the injection is included in the physician supervision of dialysis procedures.

Medicaid does not automatically cover new drugs when they are introduced. If a drug is added to the Medicare file, Medicaid will consider payment of the Medicaid portion of the claim.

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**SECTION 17.2: PROVIDER REQUIREMENTS****PAGE(S) 1**

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**PROVIDER REQUIREMENTS****Provider Certification**

Providers enrolled in Louisiana Medicaid as an end stage renal disease (ESRD) facility must be licensed by the Louisiana Department of Health (LDH), Health Standards Section (HSS) and be Medicare certified. Providers participating as a continuous ambulatory peritoneal dialysis (CAPD) and a continuous cycling peritoneal dialysis (CCPD) service provider must have approval from the Centers for Medicare and Medicaid Services (CMS) to furnish CAPD and CCPD training and support services. In addition, providers must meet federal certification requirements that state a facility furnishing CAPD and CCPD services must provide a full range of home dialysis support services.

**Provider Responsibilities**

Providers must agree to comply with all federal and state laws and regulations relevant to the provision of services.

It is the provider's responsibility to verify the beneficiary is eligible, and remains eligible, for Medicaid services through periods of continued and extended service.

Providers must maintain their records to fully disclose the nature, quality, amount, and medical necessity of services provided to beneficiaries who are currently receiving or who have received medical services in the past.

**Referral to Social Security Administration**

When Medicaid beneficiaries begin dialysis treatments, providers should refer them to the Social Security Administration to facilitate the Medicare application process. It is not necessary to refer the beneficiary if the beneficiary is presently enrolled in Medicare or was denied Medicare coverage within the last year.

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## SECTION 17.3: REIMBURSEMENT

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**REIMBURSEMENT**

Reimbursement for the technical component of dialysis services must be billed using the UB-04 claim form or its successor. (See Appendix B for claims filing information).

Reimbursement for physician supervision of dialysis (professional component) must be billed on the CMS-1500 claim form, or its successor, using the most appropriate code from the *Current Procedural Terminology* (CPT) manual. Refer to the Louisiana Medicaid Manual, Chapter 5 – Professional Services for instructions on completing the CMS-1500 claim form. (See Appendix A for information on accessing other manuals).

**NOTE:** Hospitals may only bill for inpatient end stage renal disease (ESRD) services and the charges should be included as part of the inpatient bill.

**Non-Medicare Claims**

Providers are reimbursed a hemodialysis composite rate. The composite rate is a comprehensive payment for providing all medically necessary routine hemodialysis treatment. Services included in the composite rate may not be billed separately.

Services reimbursed separately from the hemodialysis composite rate include the following:

1. Non-routine dialysis services such as laboratory and radiology procedures that are not part of the composite rate;
2. Continuous ambulatory peritoneal dialysis (CAPD);
3. Continuous cycling peritoneal dialysis (CCPD);
4. Epoetin Alfa (EPO);
5. Injectable drugs; and
6. Physician supervision of dialysis (professional component).

**Medicare Part B Claims**

Providers are reimbursed for co-insurance and deductible amounts. The Medicare payment plus the amount of the Medicaid payment shall be considered to be payment in full for the service. The beneficiary does not have any legal liability to make payment for the service. Medicare claims are subject to the same rate reductions as previously mentioned for non-Medicare claims.

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**Epoetin Alfa**

EPO is reimbursed per 1,000 units (rounded to the nearest 100 units) administered.

The following formula is used in calculating EPO reimbursement: (Total number of EPO units/100) X \$1.00 = Reimbursement\*

\*All claims, non-Medicare and Medicare, are subject to the following rate reductions:

1. Effective February 26, 2009, 3.5%;
2. Effective January 22, 2010, 5%;
3. Effective August 1, 2010, 4.6%;
4. Effective January 1, 2011, 2%; and
5. Effective July 1, 2012, 3.7%.

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**APPENDIX A: CONTACT INFORMATION****PAGE(S) 1**

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**CONTACT INFORMATION**

TYPE OF ASSISTANCE	CONTACT INFORMATION
Who to contact for assistance with billing questions/problems	Gainwell Technologies Provider Relations Unit P. O. Box 91024 Baton Rouge, LA 70821 Phone: 1-800-473-2783 or (225) 924-5040
Who to contact for assistance with enrollment questions	Gainwell Technologies Provider Enrollment Unit P. O. Box 80159 Baton Rouge, LA 70898-0159 Phone: (225) 216-6370
How to access other Louisiana Medicaid provider manuals	<a href="http://www.lamedicaid.com">www.lamedicaid.com</a> under "Provider Manuals" link

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**APPENDIX B: CLAIMS FILING****PAGE(S) 1**

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### **CLAIMS FILING**

Claims for end stage renal disease (ESRD) services must be filed by electronic claims submission 837I or on the UB 04 claim form.

There are limits placed on the number of line items that are allowable when filing claims. ESRD claims must include National Drug Code (NDC) information for all physician-administered drugs identified with an alphanumeric Healthcare Common Procedure Coding System (HCPCS) code and billed with a revenue code. Two-page claims are acceptable for ESRD services.

#### **Epoetin Alfa**

Payment made to providers billing the Epogen treatments individually is based on the total units of epoetin alfa (EPO) as indicated in value code 40A. The total payment for EPO is indicated on the first treatment claim line for the first service date, and the remainder of the EPO treatment dates will appear on the remittance advice (RA) with zero (0 dollar) payments and edit code 978 (payment adjusted to zero, call help desk).

In order to void more than one claim line, a separate UB04 form is required for each claim line as each one has a different Internal Control Number (ICN).

Special documentation is not required with the claim for Medicaid only beneficiaries requiring 10,000 units or more of EPO per administration; however, documentation should be maintained with the beneficiary's records.

#### **Instructions for Completing the UB04 Form**

The most recent instructions for completing the UB 04 form along with samples of UB 04 claim forms for ESRD services routine billing are located on the home page of the Louisiana Medicaid website. The billing instructions and examples may also be accessed at [http://www.lamedicaid.com/provweb1/billing\\_information/Hemo\\_Billing\\_NDCs.pdf](http://www.lamedicaid.com/provweb1/billing_information/Hemo_Billing_NDCs.pdf).