

To:
Free-Standing
End-Stage Renal
Disease Service
Providers
HMOs and Other
Managed Care
Programs

Revised Free-Standing End-Stage Renal Disease Provider Reimbursement

Effective for dates of service on and after November 1, 2004, as required by Wisconsin Act 33 (the 2003-2005 biennial budget), Wisconsin Medicaid will adopt Medicare's reimbursement methodology for claims submitted by free-standing end-stage renal disease service providers.

Background

Wisconsin Act 33, the 2003-2005 biennial budget, requires Wisconsin Medicaid to adopt Medicare's reimbursement methodology for free-standing end-stage renal disease (ESRD) service providers.

Wisconsin Medicaid will utilize United Government Services, LLC, the Medicare Part A fiscal intermediary, to price claims for ESRD services to assure reimbursement is based on Medicare's reimbursement methodology.

New Reimbursement Methodologies

For both Medicaid-only and crossover claims, Wisconsin Medicaid will adopt new reimbursement methodologies.

Refer to Attachment 1 of this *Wisconsin Medicaid and BadgerCare Update* for the revised terms of reimbursement (TOR) for

free-standing ESRD services. The attached TOR replaces previous versions. The revisions will automatically take effect; providers do not need to resubmit certification packets.

Reimbursement for Medicaid-Only Claims

Effective for dates of service (DOS) on and after November 1, 2004, Wisconsin Medicaid will adopt Medicare's reimbursement methodology for Medicaid-only claims submitted by free-standing ESRD service providers.

Wisconsin Medicaid will reimburse free-standing ESRD service providers the *full* Medicare-allowed amount minus any applicable Medicaid copayments. The Medicaid copayment for free-standing ESRD services is \$3.00 per DOS. Wisconsin Medicaid will *not* subtract Medicare's coinsurance, deductible, or Renal Network fee from the reimbursement.

For recipients receiving *home dialysis* services, free-standing ESRD service providers are required to provide all equipment, supplies, and support services (Medicare Method I) and bill appropriately. Wisconsin Medicaid will reimburse the providers according to their Medicare Method I composite rate.

Reimbursement for Crossover Claims

Effective for DOS on and after November 1, 2004, Wisconsin Medicaid will reimburse free-standing ESRD service providers the *full* coinsurance, deductible, and Medicare copayment amounts minus any applicable Medicaid copayments. The Medicaid copayment for free-standing ESRD services is \$3.00 per DOS.

There are no additional requirements needed when billing for crossover claims.

Medicaid Adopting Medicare's Claim Submission Completion Instructions

To implement the new Medicare reimbursement methodologies, Wisconsin Medicaid will require free-standing ESRD service providers to follow Medicare's claim submission instructions for all claims (whether Medicaid-only or crossover claims) with DOS on and after November 1, 2004. Refer to the Centers for Medicare and Medicaid Services Web site at www.cms.hhs.gov/ or the United Government Services, LLC, Web site at www.ugsmedicare.com/ for the instructions.

Note: Providers are reminded that they should still include relevant Medicaid information (e.g., the Medicaid eight-digit provider number or the recipient's 10-digit Medicaid identification number) when submitting claims.

In addition to Medicare's billing instructions, providers are required to indicate the individual DOS on the claim details, up to four DOS per detail line. Refer to the May 2004 *Update* (2004-42), titled "Billing Changes for Free-Standing End Stage Renal Disease Clinics Effective July 1, 2004," for more information.

Implementation of the New Reimbursement Methodology for Medicaid-Only Claims

During the implementation of the new Medicare reimbursement methodology, providers should be aware of some important dates.

Refer to Attachment 2 for a quick reference table that lists the time periods, type of claim to submit, and payment type for free-standing ESRD service providers.

Claims Received from November 1, 2004, to January 31, 2005

From November 1, 2004, to January 31, 2005, Wisconsin Medicaid will accept only UB-92 *paper* claims for Medicaid-only ESRD claims with DOS on and after November 1, 2004.

Electronic claims received with DOS from November 1, 2004, to January 31, 2005, will be *denied*. Providers should review their Remittance and Status Reports and resubmit the identified claims on paper.

Prior to February 1, 2005, providers are also required to follow these *temporary* instructions:

- Enter the provider's three-digit bill type plus the letter "P" (e.g., 721P) in Form Locator 4 of the UB-92 paper claim form.
- Mail the claims to the following *temporary* address:

Wisconsin Medicaid
ESRD Claims
PO Box 6309
Madison WI 53716-0309

Note: Free-standing ESRD Medicaid-only claims with DOS before November 1, 2004, may be submitted on paper or electronically and will reimburse as usual.

From November 1, 2004, to January 31, 2005, Wisconsin Medicaid will accept only UB-92 *paper* claims for Medicaid-only ESRD claims with DOS on and after November 1, 2004. *Electronic claims received* with DOS from November 1, 2004, to January 31, 2005, will be *denied*.

Claims Received on and After February 1, 2005

On and after February 1, 2005, providers may resume submitting Medicaid-only claims *electronically*. Paper claims will no longer require the letter “P” with the three-digit bill type, but the bill type is required. Paper claims should be mailed to Medicaid’s *permanent* address:

Wisconsin Medicaid
Claims and Adjustments
6406 Bridge Rd
Madison WI 53784-0002

All claims should be submitted according to Medicare’s instructions given in this *Update*.

Interim Payments for Medicaid-Only Claims

Wisconsin Medicaid will issue interim payments for Medicaid-only claims at an estimated Medicare allowed amount for claims with DOS on and after November 1, 2004, until the system is fully operational and able to process claims according to Medicare’s guidelines. This is currently estimated to be April 15, 2005. Interim payments will be made to providers on a weekly basis as claims are received.

Once claims are processed under Medicare’s reimbursement methodology, the interim payments will be reconciled against the claim payments.

Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, visit our Web site at dhfs.wisconsin.gov/medicaid/.

PHC 1250

ATTACHMENT 1

Free-Standing End-Stage Renal Disease Provider Terms of Reimbursement

(A copy of the "Free-Standing End-Stage Renal Disease Provider Terms of Reimbursement" is located on the following page.)



DIVISION OF HEALTH CARE FINANCING
WISCONSIN MEDICAID AND BADGERCARE
PROVIDER SERVICES
6406 BRIDGE ROAD
MADISON WI 53784

Jim Doyle
Governor

Helene Nelson
Secretary

State of Wisconsin

Department of Health and Family Services

Telephone: 800-947-9627
608-221-9883

dhfs.wisconsin.gov/medicaid
dhfs.wisconsin.gov/badgercare

FREE-STANDING END-STAGE RENAL DISEASE PROVIDER TERMS OF REIMBURSEMENT

The Department will adopt Medicare's pricing methodology for free-standing end-stage renal disease (ESRD) services. Free-standing ESRD rates may be adjusted to reflect changes in the Centers for Medicare and Medicaid Services (CMS) Medicare regulations, Medicare policy, Medicaid budgetary constraints, and other relevant economic limitations.

For dates of service on and after November 1, 2004, Medicaid providers will be reimbursed for dialysis and dialysis-related services in accordance with Medicare's ESRD policies and pricing methodologies. Wisconsin Medicaid will not subtract Medicare's coinsurance, deductible, or Renal Network fee from the reimbursement. Wisconsin Medicaid will reimburse providers according to their Medicare Method I composite rate for home dialysis recipients.

Providers are required to bill their usual and customary charges for services provided. The usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients. For providers using a sliding fee scale for specific services, the usual and customary charge is the median of the individual provider's charge for the service when provided to non-Medicaid patients.

For each covered service, the Department shall pay the free-standing rates established by the CMS. Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered payment in full.

The Department will reduce payments made to providers to reflect the amounts of any allowable copayments which providers are required to collect pursuant to ch. 49, Wis. Stats.

Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with s. 49.46(2)(c), Wis. Stats.

In accordance with federal regulations contained in 42 CFR s. 447.205, the Department will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting rates for services.

Applicable Provider Type(s): 73, Specialty 050

CH04069/TOR

Effective Date: April 1, 1991
Renewed: April 1, 1994
Revised: September 2004
with initial applicability date
on and after November 1, 2004

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ATTACHMENT 2

Claim Submission Time Table

The following table lists the time periods, type of claim to submit, and payment type for free-standing end-stage renal disease (ESRD) service providers that were addressed in this *Wisconsin Medicaid and BadgerCare Update*.

Dates of Service on Claim	Claim Received by Medicaid	Type of Claim to Submit	Payment Type	Where to Mail Paper Claims
Prior to November 1, 2004	Within a year of the date of service	Submit on paper or electronically following <i>Medicaid's</i> requirements	<i>Medicaid</i> reimbursement	<i>Permanent</i> address*
November 1, 2004, through January 31, 2005	Prior to February 1, 2005	Submit only on <i>paper</i> following <i>Medicare's</i> requirements	Interim payment. After April 15, 2005, claims will be processed under <i>Medicare's</i> reimbursement methodology. Interim payments will then be reconciled with claim payments.	<i>Temporary</i> address**
November 1, 2004, or after	February 1, 2005, to April 15, 2005	Submit on paper or electronically following <i>Medicare's</i> requirements		
November 1, 2004, or after	April 15, 2005, or after	Submit on paper or electronically following <i>Medicare's</i> requirements	<i>Medicare's</i> reimbursement methodology	<i>Permanent</i> address*

* Wisconsin Medicaid's *permanent* address for paper claim submission is:

Wisconsin Medicaid
 Claims and Adjustments
 6406 Bridge Rd
 Madison WI 53784-0002

** Wisconsin Medicaid's *temporary* address for paper claim submission is:

Wisconsin Medicaid
 ESRD Claims
 PO Box 6309
 Madison WI 53716-0309