	Regulatory Compliance Policy	No. COMP-RCC 4.23
	Title: OUTPATIENT DIALYSIS PROVIDED TO ESRD MEDICARE PATIENTS IN HOSPITALS THAT DO NOT HAVE A CERTIFIED DIALYSIS FACILITY	Page: 1 of 4
		Revised Date:
		Original Date: 01-20-05

Outpatient Dialysis Provided to ESRD Medicare Patients in Hospitals That Do Not Have a Certified Dialysis Facility

I. SCOPE:

This policy applies to Tenet, its consolidated subsidiaries and all hospitals owned or operated by Tenet’s consolidated subsidiaries (Tenet) that provide outpatient hospital services.

II. PURPOSE:

To ensure that dialysis provided to End Stage Renal Disease (ESRD) Medicare outpatients¹ by hospitals that do not have a Medicare-certified dialysis facility is properly provided and billed.

III. BACKGROUND:

Previously, Medicare did not pay for dialysis treatments furnished to ESRD patients on an outpatient basis unless the hospital also had a certified hospital-based ESRD facility. As a result, ESRD patients in need of emergency dialysis were often admitted to the hospital. Many of these admissions were found to be inappropriate by the Quality Improvement Organizations, and payment was denied.


When ESRD patients come to the hospital for a medical emergency or for problems with their access sites, they typically miss their regularly scheduled dialysis appointments. If the ESRD patient's usual facility is unable to reschedule the dialysis treatment, the ESRD patient often had to wait until the next scheduled dialysis appointment. Because the ESRD patient should not be prevented from receiving his or her normal dialysis in these circumstances, Medicare has adopted new reporting and payment policies for outpatient dialysis services provided to ESRD patients in hospitals that do not have a certified ESRD facility.

IV. POLICY:

Generally, Medicare only pays for dialysis services for ESRD Medicare patients undergoing routine maintenance dialysis that receive their dialysis at or through a Medicare-certified outpatient dialysis facility, known as the patient’s home ESRD facility. However, in certain exceptional circumstances in which the ESRD Medicare patient cannot obtain his or her scheduled dialysis treatment, Medicare will cover these treatments when provided in a hospital outpatient department that does not have a Medicare-certified dialysis facility.

This policy does not apply to outpatient acute dialysis² or to non-Medicare patients.

¹ Outpatient for purposes of this policy shall mean a person who has not been admitted by the hospital as an inpatient but is registered on the hospital records as an outpatient and receives services (rather than supplies alone) from the hospital. Where the hospital uses the category "day patient," i.e., an individual who receives hospital services during the day and is not expected to be lodged in the hospital at midnight, the individual is classified as an outpatient. Patients in observation status shall also be considered outpatients for purposes of this policy.

	Regulatory Compliance Policy	No. COMP-RCC 4.23
	Title: OUTPATIENT DIALYSIS PROVIDED TO ESRD MEDICARE PATIENTS IN HOSPITALS THAT DO NOT HAVE A CERTIFIED DIALYSIS FACILITY	Page: 2 of 4
		Revised Date:
		Original Date: 01-20-05

V. PROCEDURE:

A. Hospital Implementation

1. Criteria for Provision of Services

Hospital's that do not have a Medicare-certified dialysis facility may receive payment from Medicare for the provision of outpatient dialysis services to ESRD Medicare outpatients in the following circumstances:

- a) Dialysis performed following or in connection with a vascular access procedure;
- b) 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); or
- c) Emergency dialysis for an ESRD Medicare patient who would otherwise have to be admitted as an inpatient in order for the hospital to receive payment.

2. Continuity/Coordination of Care


When ESRD Medicare patients receive outpatient dialysis in hospital outpatient departments that do not have a Medicare-certified dialysis facility, the patient's home ESRD facility is responsible for obtaining and reviewing the patient's medical records to ensure that modifications are made, if necessary, to the patient's plan of care upon her or his return to the home ESRD facility.

3. Physician Orders

All outpatient dialysis services provided in accordance with this policy must be preceded by a physician's order that includes:

- a) Patient name
- b) Diagnosis
- c) Treatment Orders
- d) Physician Signature

² Outpatient acute dialysis for purposes of this policy shall mean dialysis given to patients who are not ESRD patients, but who require dialysis because of temporary kidney failure (for example: kidney failure due to sudden trauma or ingestion of certain drugs.)

	Regulatory Compliance Policy	No. COMP-RCC 4.23
	Title: OUTPATIENT DIALYSIS PROVIDED TO ESRD MEDICARE PATIENTS IN HOSPITALS THAT DO NOT HAVE A CERTIFIED DIALYSIS FACILITY	Page: 3 of 4
		Revised Date:
		Original Date: 01-20-05

- e) Date
- f) Time, when required by law

4. Dialysis Services Provided “Under Arrangement”

Tenet providers must furnish directly or “under arrangement” all items and non-physician services received by Medicare outpatients when these services are furnished during an encounter with a patient registered by the hospital as an outpatient. Therefore, those hospitals that do not provide dialysis services directly and instead have a contract and/or vendor agreement with a dialysis provider, must have a written arrangement so as to meet the Medicare “under arrangement” requirement.

All Tenet hospitals must have processes and procedures in place to properly notify outside vendors of the Medicare requirement that obligates the hospital to bill for the arranged service. Separate billing by the vendor of such services is strictly prohibited.

See Tenet Regulatory Compliance Policy 4.07 (Medicare Bundling Requirements) for additional information about billing for services that have been provided “under arrangement.”

5. Billing/Reporting Requirements

a) Dialysis Procedure

The outpatient dialysis procedure is reported with a single line item that includes all dialysis staff services, callback/after hours fees, portable/setup fees, and outpatient treatment/procedure “room” charges. Hospitals report the dialysis service with the following HCPCS II code:


G0257: Unscheduled or emergency treatment for dialysis for ESRD patient in the outpatient department of a hospital that does not have a certified ESRD facility.

This code is specifically designated for an outpatient department of a hospital that does not have a certified ESRD facility. Therefore, a hospital that has a certified dialysis facility cannot use this code just because the certified dialysis facility is closed.

b) Related Diagnostic and Therapeutic Services

All related diagnostic and therapeutic services provided by the hospital outpatient department should be reported separately, as per the hospital’s normal billing/reporting practices.

c) Supplies and Medications

	Regulatory Compliance Policy	No. COMP-RCC 4.23
	Title: OUTPATIENT DIALYSIS PROVIDED TO ESRD MEDICARE PATIENTS IN HOSPITALS THAT DO NOT HAVE A CERTIFIED DIALYSIS FACILITY	Page: 4 of 4
		Revised Date:
		Original Date: 01-20-05

Supplies and medications that are typically reported separately should continue to be reported separately, as per the hospital's normal billing/reporting practices for dialysis services.

VI. REFERENCES

1. Federal Register Vol. 67, Number 212, November 1, 2002 (67FR66803)
2. Medicare Hospital Manual
3. CMS Transmittal A-02-129, January 3, 2003