

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-19 Demonstrations	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11128	Date: November 18, 2021
	Change Request 12492

SUBJECT: ESRD Treatment Choices (ETC) Model Performance Payment Adjustment (PPA) - Facility Component (Implementation CR)

I. SUMMARY OF CHANGES: The End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model is a mandatory model (demo code: 94), for which about a third of the nation’s dialysis facilities will be required to participate based on zip code. The model started on January 1, 2021, and ends on June 30, 2027. The model includes, two payment adjustments, the Home Dialysis Payment Adjustment (HDPA) and the Performance Payment Adjustment (PPA), which apply to both the participating ESRD facilities and clinicians managing Medicare fee-for-service beneficiaries with ESRD, referred to as Managing Clinicians. The HDPA is an upward adjustment in home-dialysis related claims and is being implemented through CR 12038. The PPA is an upward and downward payment adjustment made on all dialysis and dialysis-related claims between July 1, 2022 and June 30, 2027. The PPA applies to both participating ESRD facilities and Managing Clinicians and CR 12404 is implementing the PPA for Managing Clinicians, who are paid through the ESRD Monthly Capitation Payment (MCP). Whereas, this CR implements the policy on how to apply the PPA for ESRD Facilities, who are paid through the ESRD Prospective Payment System (PPS).

EFFECTIVE DATE: April 1, 2022 - Begin development FISS; July 1, 2022 - Continue development, testing and implementation FISS; Full implementation of MCS; Full implementation of CWF

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: April 4, 2022 - Begin development FISS; July 5, 2022 - Continue development, testing and implementation FISS. Full implementation of MCS and CWF

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and

immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Demonstrations

Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared- System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
	subject to the PPA. Note: The reprocessing file (a full replacement file) will be provided between the 6 months period depending on the need to reprocess.											
12492.2.1	The contractor shall accept the ETC Model PPA Participant file.						X					
12492.2.1 .1	CMS shall provide the Shared System Maintainers (SSMs) the ETC Model PPA Participant file prior to the start of the Production ETC Model PPA. Note: CMS plans to send the PPA participant file a month prior to the beginning of every PPA Period (every 6 months). However, based on whether claim(s) need(s) to be reprocessed a reprocessing file (the full replacement PPA participant file with updated details) will be sent on an adhoc basis between the PPA periods.											CMS
12492.2.2	CMS shall provide the ETC Model PPA file layout to the contractors. Note: See the attached ETC PPA File Layout.											CMS
12492.2.3	CMS shall send the ETC Model PPA file as a full replacement file.											CMS
12492.3	The contractor shall use the ETC Model PPA file to process PPA payment adjustments.						X					
12492.3.1	For eligible model facilities, the contractor shall apply the payment adjustment to the Adjusted ESRD PPS per Treatment Base Rate for an ESRD facility participating in the ETC Model to all the ESRD PPS claims for beneficiaries 18 years and older with dates of service on and after July 1, 2022.						X					
12492.4	The Multi-Carrier System (MCS) shall send the Fiscal Intermediary Shared System (FISS) the Facility PPA Participant file records.							X				

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
12492.6	The FISS SSM shall display the ETC PPA file in an inquiry only online screen.					X				
12492.7	The contractor shall create a process to pay the PPA.					X				
12492.8	The contractor shall read the ETC Model PPA file to determine the provider eligibility.					X				
12492.8.1	<p>The contractor shall create a new claim level field to identify whether Demo Code 94 applies to HDPA only, PPA only or both HDPA and PPA using the following values:</p> <ul style="list-style-type: none"> • DEMO-CD-94-ETC-FLAG = H or Blank (HDPA only) • DEMO-CD-94-ETC-FLAG = P (PPA only) • DEMO-CD-94-ETC-FLAG = B (HDPA and PPA both) <p>Note: The new field values will only populate when Demo Code 94 is present on the claim.</p>					X			X	
12492.8.1.1	SSM shall include the new ETC demo flag field value in BR 12492.8.1 on the CWF Outpatient (HUOP) transmit file.					X				
12492.8.2	<p>The contractor shall set the Demo Code 94 and ETC Flag in requirement 8.1, if the claim matches all of the following criteria:</p> <ul style="list-style-type: none"> • TOB = 72X • Revenue codes 0821, 0831, 0841, 0851, or 0881 <ul style="list-style-type: none"> • The above revenue codes should be covered charges on the claim • Provider CMS Certification Number (CCN) is present on the provider alignment file • Claims statement through date falls on or after the Participant Effective Start Date and on or before the Participant End Date. 					X				

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	Note: The Common Working File (CWF) will continue to verify the payment adjustments apply to only beneficiaries 18 years or older. (534J edit)									
12492.8.2 .1	The Medicare contractors shall ensure the new demo flag is sent to the downstream systems. NOTE: This BR has impact to HIMR.					X			X	FPS, IDR, NCH
12492.8.3	The contractor shall set the Demo Code 94 in the first demo code field. If other demo codes are present on the claim, move Demo Code 94 to the first position, and move the remaining codes down one position.					X				
12492.8.4	The contractor shall update its interface to pass the Demo Code 94 ETC flag in requirement 8.1 and the PPA percentage to the ESRD Pricer.					X				
12492.8.5	CMS shall update the ESRD Pricer interface to pass out the following values: <ul style="list-style-type: none"> Line item payment amount before model PPA adjustment Line item model PPA adjustment Line item payment amount after model PPA adjustment 									CMS, ESRD Pricer
12492.8.5 .1	The contractor shall update its claim record to accept the new outputs from the ESRD Pricer.					X				
12492.8.5 .2	CMS shall <i>separately</i> provide an ESRD JAVA Pricer document with new variables.									CMS
12492.8.5 .3	FISS shall modify the Pricer Client to add new input/output fields.					X				
12492.8.6	The contractor shall create new claim line level fields to capture the following: <ul style="list-style-type: none"> PPA Percentage Calculate PPA amount 					X				

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
12492.8.7	<p>The contractor shall calculate the beneficiary cost sharing amount as follows:</p> <ul style="list-style-type: none"> Calculate the deductible and coinsurance using the line item amount before PPA adjustment applied. <p>Note: For claims with both HDPA and PPA, calculate cost sharing amount.</p> <ul style="list-style-type: none"> For claims with both HDPA and PPA – the beneficiary cost sharing calculation does not change and is calculated prior to the application of either of the payment adjustments. 					X				
12492.8.8	<p>The contractor shall calculate the reimbursement as follows:</p> <ul style="list-style-type: none"> Use the line item amount after adjustment applied – beneficiary cost sharing amount calculated in BR 8.7. Apply ESRD network deduction Apply sequestration to the remaining amount. 					X				
12492.8.8 .1	The contractor shall include the PPA adjustment with the dollar amount sent to MSPPAY for MSP calculation 1 and 2.					X				
12492.8.8 .2	<p>The contractor shall not include the PPA adjustment amount with the provider charges covered by Medicare sent to MSPPAY for MSP calculation 3 and 4.</p> <ul style="list-style-type: none"> Note: All other existing MSP payment processing shall continue to apply. 					X				

Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared- System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
12492.8.9	The contractor shall report the total sum of service line adjustments paid with payer-only Value Code QJ.					X						
12492.8.9 .1	The contractor shall pass the value code QJ and amount to the downstream systems. Value Code QJ is the identifier for the ETC (demo code 94) Facility PPA, which equals the sum of all service line PPA adjustments.					X				X		HIGLAS, IDR, NCH
12492.8.1 0	The contractor shall systemically remove value code QJ when manually entered.					X						
12492.8.1 0.1	The contractor shall bypass Reason Code 10405 on 72X.					X						
12492.8.1 1	The contractor shall not report payer-only Value Code QJ and amount to BCRC.					X						
12492.8.1 2	The contractor shall pass the new claim fields to ECPS and IDR.					X						
12492.8.1 3	The Medicare contractor shall ensure that the line level PPA amount on TOB 72X claims is mapped to the next available Adjustment Amount field in the 2430 loop, CAS – Line Adjustment Segment on all outbound 837 Coordination of Benefits (COB) claims sent to the Benefits Coordination & Recovery Center (BCRC).					X						
12492.9	The contractor shall send the PPA payment adjustment amount on the Common Working file Outpatient Facility Claim (HUOP) record.					X						
12492.10	FISS shall accept updated CWF Utilization Reject 534J for the PPA Adjustment.					X						
12492.10. 1	The FISS SSM shall update Reason Code 37261 narrative to include PPA.					X						
12492.10. 2	The contractor shall remove the Demo Code 94, Value Code QJ and ETC FLAG for TOB 72X when CWF Utilization Reject 534J is received, reorder the					X						

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
	remaining Demo Codes to move them up one position if necessary, and recycle the claim to CWF without the payment adjustment.										
12492.11	For all claims with the PPA adjustment amount, the contractor shall use the following line level message on the provider remit: Group Code: CO (Contractual Obligation) CARC 132 – Prearranged demonstration project adjustment					X					
12492.11.1	The contractor shall NOT display the PPA adjustment on the Medicare Summary Notice (MSN).					X					
12492.11.2	The contractor shall display the following MSN Message when the ESRD HDP A AMT and or the ESRD PPA AMT is not equal to zeroes. MSN 60.4 – This claim is being processed under a demonstration project. Spanish Translation - Esta reclamación está siendo procesada bajo un proyecto especial.					X					
12492.12	The contractor shall create an Auto Adjustment against claims with Demo Code 94 and Value Code QJ for dates of service on or after July 1, 2022 when there is an update to the PPA Participant percentage.					X					
12492.12.1	The contractor shall create a new report to display the information for the Demo Code 94 claims selected for PPA adjustment. RPT6045B can be used as an example to create a new weekly report (RPTXXXA) to coincide with the PPA participants requiring claims to be reprocessed.					X					
12492.13	The contractor shall create a new paid claims report to display the information for the Demo Code 94 claims with an HDP A/PPA or PPA only.					X					

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared-System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
12492.13.1	<p>The contractor shall generate a Demo Code 94 claim for HPDA/PPA or PPA only processing report as a CSV file with the proposed following fields. Populate the new report with the following fields on a monthly basis and grouped by quarter:</p> <ul style="list-style-type: none"> Totals Year-Quarter Provider Type Medicare Beneficiary ID (MBI) Beneficiary Health Insurance Claim Number (HICN) CMS Certification Number CCN PPA Percentage Amount Total Number of Claims Paid Total Claims Paid Amount Total Allowed Amount Total Cost Sharing Amount Total PPA Amount Total HDPA Amount Total Paid Amount Date of Service Range Claim Paid Date 					X					
12492.13.2	The contractors shall send the CSV file monthly to CMS.					X					
12492.14	<p>The FISS and CWF SSMs shall perform integration testing.</p> <p>Integrated testing shall be performed between FISS and CWF during the alpha period of this CR.</p>					X			X		
12492.15	Contractors shall update the COBOL version of the ESRD Pricer to add the new fields.					X					
12492.16	CMS contractor shall provide the ETC Model PPA Participant files for testing purposes to the SSM by or around June 1st, 2022 and the test files will also be loaded to the MAC test regions. The Part A MACs shall use the loaded data to test in their test regions.	X				X	X			CMS, VDC	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	<ul style="list-style-type: none"> • CMS shall provide the test file by or around May 1st, 2022. 									
12492.20	<p>The MACs shall receive the spreadsheet from CMS containing a sample of participants (ESRD Facilities) that are selected for the ETC Model and a sample of participants (ESRD Facilities) that are not selected for the ETC Model. The list shall include CCN for ESRD Facilities and Zip code of the practice location. If possible, the list will be by workload and MAC ID. The MACs shall use this spreadsheet for testing purposes only.</p> <ul style="list-style-type: none"> • All impacted MACs shall provide contact details for sending the test file to manasa.peddy@cms.hhs.gov within 5 days of issuance of the CR. 	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Manasa Peddy, manasa.peddy@cms.hhs.gov , Heather Maldonado, heather.maldonado@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 1

Table 1 - ETC Participant File Header

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is header information for the ETC Participant file	1	7	CHAR	HDR_PRV
File Creation Date	Date the file is created	8	8	CHAR	CCYYMMDD
Filler	Remaining unused space	16	85	CHAR	Blank

Table 2 - ETC Participant Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is record detail information for the ETC participant file	1	7	CHAR	DTL_PRV
Participant CMS Certification Number (CCN)*	The CCN for the ETC participant	8	13	CHAR	Participating ETC PPA Provider Number. Field should never be blank.
Provider Type	Not used for ETC but retained for consistency with the file used for the ETC-KCF Part B CR.	14	1	CHAR	Blank
Participant Tax Identification Number (TIN)	The TIN for the ETC Participant	15	9	NUM	Numbers. Blank allowed.
Participant National Provider Identifier (NPI)	The National Provider Identifier (NPI) for the ETC participant	24	10	NUM	Numbers. Blank allowed.
Participant Effective Start Date*	Effective start date of the ETC PPA Period	34	8	CHAR	CCYYMMDD
Participant End Date*	Effective end date of the ETC PPA Period	42	8	CHAR	CCYYMMDD
Status Change*	Identify whether the record was added, changed or removed 1 = "Changed": indicates that any information for a	50	1	NUM	1 2 3 Blank allowed

Table 2 - ETC Participant Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
	<p>given active participant has been updated since the last file. "Changed" will not be used if the participant meets the criteria for either "Added" or "Removed."</p> <p>2 = "Removed": indicates that a participant was once on the approved list and is currently on the excluded list. The "STATUS_CD" will remain as "Removed" for every file iteration, unless CMS changes the status to active (not excluded). If status is changed to active, the "STATUS_CD" variable will be null.</p> <p>3 = "Added": indicate that a participant was not present in the prior file.</p> <p>Blank = Records not falling under status change 1, 2, or 3, including new records for future PPA periods that are not changing, removing or adding to data sent for prior PPA periods.</p>				
CAP	Not used for ETC	51	5	NUM	Numbers. Blank allowed.
Provider Adjustment Percentage 1	ETC PPA Value	56	5	9v9999	<p>Percentage reflects the change to the payment. Example:</p> <ul style="list-style-type: none"> • Positive 7% adjustment is 1.0700 • Negative 7% adjustment is 0.9300

Table 2 - ETC Participant Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
					<ul style="list-style-type: none"> No adjustment is 1.0000 0.0000 would be ignored Must be numeric
Provider Adjustment Percentage 2	Not used for ETC	60	5	9v9999	Blank allowed Not used for ETC
Filler	Remaining unused space	65	35	CHAR	Blank

Data Fields marked with an asterisk (*) are required.

Table 3 - ETC Participant Trailer Header

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is trailer information for the ETC Participant file	1	7	CHAR	TRL_PRV
File Creation Date	Date the file is created	8	8	CHAR	CCYYMMDD
Detail Record Count	Number of detail rows sent by CMMI	16	10	NUM	Numbers
Filler	Remaining unused space	26	75	CHAR	Blank

Table 3 - ETC Participant Response File Header

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is header information for the ETC Participant file	1	7	CHAR	As Provided by CMMI
Response Code	Response code indicating if the record was processed successfully or not	8	2	NUM	Valid values are documented and explained in Response Codes and Explanations
File Creation Date	Date the file is created	10	8	CHAR	CCYYMMDD (Provided by CMMI)
Filler	Remaining unused space	18	83	CHAR	Blank

Table 4 - ETC Participant Response Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is record detail information for the ETC participant file	1	7	CHAR	DTL_PRV
Response Code	Response code indicating if the record was processing successfully or not	8	2	NUM	Valid values are documented and explained in .Response Codes and Explanations
Participant CMS Certification Number (CCN)	The CMS Certification Number (CCN) for the ETC participant (Not used for Part B, will this be used for Part A in the future?)	10	6	CHAR	As provided by CMMI
Provider Type*	Not used for ETC	16	1	CHAR	Blank
Participant Tax Identification Number (TIN)*	The Tax Identification Number (TIN) for the ETC participant	17	9	NUM	As provided by CMMI

Table 4 - ETC Participant Response Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
Participant National Provider Identifier (NPI)*	The National Provider Identifier (NPI) for the ETC Participant	26	10	NUM	As provided by CMMI
Participant Effective Start Date*	Effective start date of the participant's eligibility in the ETC model	36	8	CHAR	As provided by CMMI
Participant Effective End Date	Effective end date of the participant's eligibility in the ETC model	44	8	CHAR	As provided by CMMI
Status Change	Identify whether the record was added, changed or removed	52	1	NUM	As provided by CMMI
CAP	Not used for ETC.	53	5	NUM	As provided by CMMI
Provider Adjustment Percentage 1	Adjustment Percentage	58	5	9v9999	As provided by CMMI
Provider Adjustment Percentage 2	Not used for ETC	63	5	9v9999	As provided by CMMI
Filler	Remaining unused space	68	33	CHAR	Blank

Table 4 - ETC Participant Response Record Detail

Data Field	Description	Start Position	Length	Format	Valid Values
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Data Fields marked with an asterisk (*) are required.

Table 5 - ETC Participant Response File Trailer

Data Field	Description	Start Position	Length	Format	Valid Values
Record Identifier	Record indicator that identifies the line entry is trailer information for the ETC Participant file	1	7	CHAR	TRL_PRV
Response Code	Response code indicating if the record was processing successfully or not	8	2	NUM	Valid values are documented and explained in Response Codes and Explanations
File Creation Date	Date the file is created	10	8	CHAR	CCYYMMDD
Detail Record Count	Number of detail rows sent by CMMI	18	10	NUM	Numbers
Filler	Remaining unused space	28	73	CHAR	Blank

ERROR CODES: Response Codes and Explanations

00 = Success/The record was processed successfully.

10 = Header Record ID Error. Invalid Record Identifier. Record not defined as:
HDR_PRV

11 = Header Record Date Error. Date is missing or invalid.

20 = Detail Record ID Error. Record contains invalid values.

25 = Effective Start Date Error. Date is missing or invalid.

26 = Effective End Date Error. Date is missing or invalid.

27 = Adjustment percentage 1 is invalid

30 = Trailer Record ID Error. Invalid Record Identifier. Record not defined as:
TRL_PRV.

31 = Trailer Record Date Error. Date is missing or invalid.

32 = Trailer Record Count Error. Count is wrong or misplaced on file.

98 = Header Record Missing. Record is missing.

99 = Trailer Record Missing. Record is missing.