

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: SE1608

Related Change Request (CR) #: N/A

Related CR Release Date: N/A

Effective Date: April 1, 2016

Related CR Transmittal #: N/A

Implementation Date: N/A

Updates to Medicare's Organ Acquisition and Donation Payment Policy

Note: We revised this article on June 6, 2019, to add a link to related article [MM11087](#) which informs MACs about system changes to ensure that organ acquisition costs are not included in the IPPS payment calculation for claims that group to a non-transplant Medicare Severity Diagnostic Related Group (MS-DRG). All other information is unchanged.

Provider Types Affected

This MLN Matters® Special Edition article is intended for all providers and suppliers who submit claims or Medicare cost reports (MCRs) to Medicare Administrative Contractors (MACs) for organ procurement, transplant, and histocompatibility laboratory services provided to Medicare beneficiaries.

What You Need to Know

This article is intended to assist providers and suppliers by offering information and resources to clarify Medicare's organ acquisition and donation payment policy for organ procurement, transplant, and histocompatibility laboratory services provided to Medicare beneficiaries. The information does not convey any new or changed policy, but conveys clarification language in the "Provider Reimbursement Manual (PRM)," CMS Pub. 15-1, Chapter 31. This clarification is provided to ensure appropriate reporting of organ acquisition costs, including those in a living Kidney Paired Donation (KPD) exchange, to achieve proper Medicare reimbursement.

Background

CMS issued chapter 31 of the PRM to clarify Medicare's payment policy regarding organ acquisition costs, formerly found in Chapter 27, Sections 2770 through 2775.4. In response to questions raised by the transplant community, Chapter 31 clarifies the

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accounting and reporting of KPD exchange costs in the MCR. The chapter also clarifies the appropriate methodology for counting organs.

- Section 3106 clarifies the accounting for costs of services in a living KPD exchange, provides a detailed example of an exchange, and summarizes the example in a chart.
- Section 3115 clarifies the methodology for counting organs, including those procured and transplanted en bloc.

Highlights from Section 3106, Kidney Paired Donations

- KPDs are similar to directed living donations; however, when the living donor and recipient do not match, they can consent to participate in a KPD matching program that matches living donor/recipient pairs with other living donor/recipient pairs. KPD exchanges can occur when two or more living donor/recipient pairs match each other; often, the living donor and matched recipient are at different certified transplant centers (CTCs).
- The costs of all hospital and physician services for pre-transplant living donor and recipient evaluations become acquisition costs and are included in the MCR of the recipient's CTC. Similarly, when a recipient and donor do not match and elect to participate in a KPD matching program, the costs of the initial living donor evaluations are incurred by the original intended recipient's CTC, regardless of whether the living donor actually donates to their original intended recipient, a KPD matched recipient, or does not donate at all.
- In a KPD exchange, once the donor is matched with a recipient, any additional tests requested by the recipient's CTC, but performed by the donor's CTC are billed as charges reduced to cost to the recipient's CTC and included as acquisition costs on the MCR of the recipient CTC. This is true regardless of whether an actual donation occurs.
- When a donor's CTC procures and sends a kidney to a recipient's CTC, the donor's CTC bills the recipient's CTC the donor CTC's charges reduced to cost for the reasonable costs associated with procuring, packaging, and transporting the kidney. The donor's CTC records these costs on its MCR as kidney acquisition costs and offsets any payments received from the recipient's CTC against its kidney acquisition costs. The recipient's CTC records as part of its kidney acquisition costs, the amounts billed by the donor's CTC for the reasonable costs associated with procuring, packaging, and transporting the organ as well as any additional testing performed and billed by the donor's CTC. These costs must be reasonable and necessary.
- When a donor's CTC does not procure a kidney, but the donor travels to the recipient's CTC for the procurement, the reasonable costs associated with the procurement are included on the MCR of the recipient's CTC. Travel expenses of the living donor are not allowable Medicare costs.

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Highlights from Section 3115, Counting Organs

- Organ procurement organizations (OPOs) and CTCs are responsible for accurately counting both Medicare and non-Medicare organs to ensure that costs are properly allocated on the MCR. The OPO and CTC must count organs procured and transplanted en bloc (two organs transplanted as one unit) as one organ. This can include, but is not limited to, en bloc kidneys and en bloc lungs.
- Medicare usable organs include organs transplanted into Medicare beneficiaries (excluding Medicare Advantage beneficiaries), organs that had partial payments by a primary insurance payer in addition to Medicare, organs sent to other CTCs, organs sent to OPOs and kidneys sent to military renal transplant centers (MRTCs) that have a reciprocal sharing agreement with the OPO in effect prior to March 3, 1988, and approved by the contractor. Medicare usable organs do not include organs used for research, organs sent to veterans' hospitals, organs sent outside the United States, organs transplanted into non-Medicare beneficiaries, organs that were totally paid by primary insurance other than Medicare, organs that were paid by a Medicare Advantage plan, organs procured from a non-certified OPO and kidneys sent to MRTCs that do not have a reciprocal sharing agreement with the OPO in effect prior to March 3, 1988, and approved by the contractor.
- Kidneys counted as Medicare kidneys include those sent to CTCs, certified OPOs, or MRTCs (with a reciprocal sharing agreement with the OPO in effect prior to March 3, 1988, and approved by the contractor). It does not include kidneys sent to foreign countries, VA hospitals, or MRTCs (without a reciprocal sharing agreement with the OPO in effect prior to March 3, 1988, and approved by the contractor), or those used for research.

Information and Resources

The following resources are available to find additional information regarding Medicare's organ acquisition and donation payment policy:

- PRM [Transmittal 471](#) containing – CMS Pub. 15-1, chapter 31;
- PRM – [CMS Pub. 15-2](#), chapters 33 and 40;
- “Medicare Claims Processing Manual” – [CMS Pub. 100-04](#); and
- “Medicare Benefit Policy Manual” – [CMS Pub. 100-02](#).

Additional Information

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

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DOCUMENT HISTORY

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June 6, 2019	We revised this article to add a link to related article MM11087 which informs MACs about system changes to ensure that organ acquisition costs are not included in the IPPS payment calculation for claims that group to a non-transplant MS-DRG. April
April 5, 2016	Initial article released.

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