The composite payment rate system is a prospective system for the payment of outpatient maintenance dialysis services furnished to Medicare beneficiaries. All maintenance dialysis treatments furnished to Medicare beneficiaries in an approved ESRD facility are covered by this system. Further, the composite rate system is one of two methods by which Medicare pays for maintenance dialysis performed in a beneficiary’s home. (For a description of the other method, see §50)

The facility’s composite payment rate is a comprehensive payment for all modes of in facility and Method I home dialysis. Most items and services related to the treatment of the patient’s end-stage renal disease are covered under the composite rate payment. The cost of an item or service is included under the composite rate unless specifically excluded. Therefore, the determination as to whether an item or service is covered under the composite rate payment does not depend on the frequency that dialysis patients require the item or service or the number of patients who require it. The composite rate is payment for the complete dialysis treatment except for physicians’ professional services, separately billable laboratory services, and separately billable drugs. This payment is subject to the normal Part B deductible and coinsurance requirements.

Under the composite rate, a dialysis facility must furnish all of the necessary dialysis services, equipment, and supplies. If it fails to furnish (either directly under arrangement or under an agreement with another approved ESRD facility) any part of the items and services covered under the rate, then the facility cannot be paid any amount for the part of the items and services that the facility does furnish.

A certified hospital-based outpatient dialysis facility that is not the patient’s usual facility can provide and must bill Medicare directly for routine maintenance services. The certified hospital-based dialysis facility cannot bill the patient’s usual facility for payment and have the patient’s usual facility bill Medicare.

Other ESRD Items and Services

Items and services included under the composite rate must be furnished by the facility, either directly or under arrangements to all of its dialysis patients. Examples of such items and services are:

- Bicarbonate dialysate;
- Cardiac monitoring;
- Catheter changes (Ideal Loop);
- Suture removal;
- Dressing changes (all dressings or protective access coverings, including catheter coverings, used to conceal a dialysis patient’s access site, for any purpose, including
allowing dialysis patients to bathe or shower as well as perform other day-to-day activities, are included in the composite rate);

• Crash cart usage for cardiac arrest;

• Declotting of shunt performed by facility staff in the dialysis unit;

• All oxygen and its administration furnished in the dialysis unit;

• Staff time to administer blood;

• Staff time used to administer separately billable parenteral items; and

• Staff time used to collect specimens for all laboratory tests.

Sometimes outpatient dialysis related services (e.g., declotting of shunts, suture removal, injecting separately billable ESRD related drugs) are furnished in a department of the hospital other than the dialysis unit (e.g., the emergency room (ER)). These services may be paid in addition to the composite payment rate only if the services could not be furnished in a dialysis facility or the dialysis unit of the hospital, due to the absence of specialized equipment or staff found only in the other department. In the case of emergency services furnished in the hospital ER, the services are paid separately subject to the additional requirement that there is a sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention in the ER could reasonably be expected to result in either:

• Placing the patient’s health in serious jeopardy;

• Serious impairment to bodily functions; or

• Serious dysfunction of any bodily organ or part.

Since the above noted situations rarely occur, they require clinical documentation to validate they were met; otherwise, they would be denied services