healthfirst
Health Insurance for New Yorkers

Reimbursement Policy

Subject:	ESRD Oral-Only Renal Dialysis Services – Drugs & Biologicals		
Policy Number:	PO-RE-157v1		
Effective Date:	01/01/2025	**Last Approval Date:**	

I. Policy Description

Effective January 1, 2025, in accordance with CMS updates to the ESRD Prospective Payment System (PPS), oral-only renal dialysis service drugs and biologicals, specifically phosphate binders, will be incorporated into the ESRD PPS bundled payment model. These drugs were previously reimbursed under Medicare Part D, but will now be covered under Medicare Part B.

Healthfirst recognizes that our payment model for ESRD differs from the ESRD PPS reimbursement methodology which is generally used by Managed Care Plans. While dialysis claims are not reimbursed under the ESRD PPS bundled methodology, Healthfirst has made a business decision to reimburse phosphate binders and their associated dispensing fees separately. This supplemental payment is intended to align with provider's expectations, given that Healthfirst's contracted dialysis rates are different than industry standards. The adjustment ensures equitable reimbursement and supports provider stability.

The information below applies to the following lines of business:

- Medicare Advantage HMO
- Medicare Advantage PPO
- Medicaid Advantage Plus/MAP (CompleteCare)

Reimbursement and Billing Guidelines

A. Reimbursement Methodology

Healthfirst will follow CMS policy and reimburse eligible oral-only ESRD drugs (primarily phosphate binders) under the Transitional Drug Add-on Payment Adjustment (TDAPA) for at least two years beginning January 1, 2025:

- Average Sales Price (ASP) +6%
- If ASP is unavailable: 100% of Wholesale Acquisition Cost (WAC)
- If WAC is unavailable: 100% of Manufacturer's Invoice

In addition to the drug payment, Healthfirst will pay a monthly dispensing fee, billed under CPT code 99070.

Note: This reimbursement approach reflects a Healthfirst-specific business decision to unbundle phosphate binders from dialysis services. The policy is designed to ensure that providers receive fair supplemental payment despite lower base contracted dialysis rates.

Dispensing Fee Note: Payment for dispensing will follow CMS allowances and be updated based on CMS fee schedule. Healthfirst aligns with the standard CMS monthly professional dispensing fee structure.

B. Provider Responsibilities

- Ensure drugs are billed with correct HCPCS J-codes.
- Include the appropriate units of service, matching CMS smallest-dose convention.
- Report one line item per prescription with the expected quantity for the calendar month.
- Maintain documentation supporting drug prescription and administration per patient's care plan.

Covered Drugs and Coding Guidelines

A. Covered Drugs – Phosphate Binders

Effective January 1, 2025, the following **HCPCS Level II J-codes** will be used for billing:

HCPCS Code	Drug Name	Unit Description
J0601	Sevelamer carbonate (Renvela or equivalent)	Oral, 20 mg
J0602	Sevelamer carbonate (powder)	Oral, powder, 20 mg
J0603	Sevelamer hydrochloride (Renagel or equivalent)	Oral, 20 mg
J0605	Sucroferric oxyhydroxide	Oral, 5 mg
J0607	Lanthanum carbonate	Oral, 5 mg
J0608	Lanthanum carbonate (powder)	Oral, 5 mg
J0609	Ferric citrate	Oral, 3 mg ferric iron
J0615	Calcium acetate	Oral, 23 mg

Note: These codes are effective as of January 1, 2025, and will be included in the October 2024 HCPCS quarterly update

B. Dispensing Fee Code

- CPT Code 99070: Use this code to bill for the monthly dispensing fee associated with oral-only ESRD drugs

C. Other Coding Considerations

- If a phosphate binder is not assigned to a J-code, providers should use the National Drug Code (NDC).
- The JW/JZ modifiers are not expected to apply to these drugs, as they are not typically supplied in single-dose containers.
- The Q8 value code may be used by payers to capture the TDAPA amount (provider reporting not required)

Adjudication and Appeal Process

1. Reimbursement for ESRD Oral-Only Renal Dialysis Services will be determined based on the provider's scope of services and the reimbursement rates outlined in the provider's contract with Healthfirst.

2. Claims submitted by providers that do not adhere to this policy will be denied or rejected. It is the responsibility of the provider to ensure claims are coded accurately.

3. If the line of business (LOB) is not mentioned in this policy, the services are not covered and not eligible for reimbursement.

4. This policy is a provider resource for understanding Healthfirst's reimbursement guidelines. It does not guarantee coverage or payment. Final reimbursement decisions depend on benefit coverage, state/federal mandates, medical necessity, and provider contract.

5. Claims submissions will be subject to timely filing requirements, as set forth in the provider contract with Healthfirst and in the Healthfirst Provider Manual. *Refer to: Healthfirst Provider Manual Subsection 17.6, "Claims Inquiries, Corrected Claims, Claim Reconsideration, and Appeal Process" in this section.*

For any questions or further clarification regarding this policy, providers are encouraged to reach out to their designated contact within our organization

II. Applicable Codes

Code	Description	Comment
99070	Supplies and materials (except spectacles), provided by the physician or other qualified health care professional over and above those usually included with the office visit or other services rendered (list drugs, trays, supplies, or materials provided)	Once per Month
J0601	Sevelamer carbonate (Renvela or equivalent)	
J0602	Sevelamer carbonate (powder)	

J0603	Sevelamer hydrochloride (Renagel or equivalent)	
J0605	Sucroferric oxyhydroxide	
J0607	Lanthanum carbonate	
J0608	Lanthanum carbonate (powder)	
J0609	Ferric citrate	
J0615	Calcium acetate	

III. Definitions

Term	Meaning
ESRD	End Stage Renal Disease

IV. Related Policies

Policy Number	Policy Description
N/A	N/A

Procedure codes appearing in Reimbursement Policy documents are included only as a general reference tool for each policy. They may not be all-inclusive.

V. Reference Materials

VI. Revision History

Revision Date	Summary of Changes

Disclaimer

Healthfirst's claim edits follow national industry standards aligned with CMS standards that include, but are not limited to, the National Correct Coding Initiative (NCCI), the National and Local Coverage Determination (NCD/LCD) policies, appropriate modifier usage, global surgery and multiple procedure reduction rules, medically unlikely edits, duplicates, etc. In addition, Healthfirst's coding edits incorporate industry-accepted AMA and CMS CPT, HCPCS and ICD-10 coding principles, National Uniform Billing Editor's revenue coding guidelines, CPT Assistant guidelines, New York State-specific coding, billing, and payment policies, as well as national physician specialty academy guidelines (coding and clinical). Failure to follow proper coding, billing, and/or reimbursement policy guidelines could result in the denial and/or recoupment of the claim payment.

This policy is intended to serve as a resource for providers to use in understanding reimbursement guidelines for professional and institutional claims. This information is accurate and current as of the date of publication. It provides information from industry sources about proper coding practice. However, this document does not represent or guarantee that Healthfirst will cover and/or pay for the services outlined. Reimbursement decisions are based on the terms of the applicable evidence of coverage, state and federal requirements or mandates, and the provider's participation agreement. This includes the determination of any amounts that Healthfirst or the member owes the provider.