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# CMS Manual System

## Pub. 100-02 Medicare Benefit Policy

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal 44

Date: FEBRUARY 10, 2006

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### CHANGE REQUEST 4291

**SUBJECT: Update to the ESRD Composite Payment Rates**

**I. SUMMARY OF CHANGES:** Since the drug add-on adjustment is determined as a percentage of the composite rate, it was necessary to adjust the drug add-on percentage to account for the 1.6 percent increase in the composite payment rate in order to ensure that the total dollars allocated from the drug add-on adjustment remains constant. Using the updated composite payment rates, the updated drug add-on adjustment is 12.9 percent. The inflation adjustment of 1.4 percent is unchanged. Therefore, the total drug add-on adjustment for 2006 is 14.5 percent instead of the 14.7 percent indicated in CR 4196

**NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2006**

**IMPLEMENTATION DATE: February 13, 2006**

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)**

**(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)**

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	11/30/5/1 New ESRD Composite Payment Rates Effective January 1, 2006

**III. FUNDING: No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.**

**IV. ATTACHMENTS:**

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

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

# Attachment - Business Requirements

Pub. 100-02	Transmittal: 44	Date: February 10, 2006	Change Request 4291
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**SUBJECT: Update to the ESRD Composite Payment Rates**

## I. GENERAL INFORMATION

**A. Background:** Congress has amended section 1881(b)(12) of the Social Security Act to provide for a 1.6 percent update to the ESRD composite payment rate, effective for dialysis treatment furnished on or after January 1, 2006. It is also required that Medicare Contractors shall adjust 72x claims with dates of service on or after 1/1/06 that were paid under the previous pricer to re-process those claims through the new pricer to correct their payment. Contractors shall complete the reprocessing of those claims by July 1, 2006. This change request supplements CR 4196 that implements other changes to the composite rate payment system for calendar year 2006.

**B. Policy:** Because of the short time period from the recently enacted statute and the effective date, this change request is being issued to instruct contractors to implement the change in the basic composite payment rates for ESRD facilities.

Effective January 1, 2006 the base composite payment rates will be increased to \$130.40 for independent ESRD facilities and \$134.53 for hospital-based ESRD facilities. We have also updated the wage adjusted composite rate table that reflects the “old” wage data and CBSA designations for purposes of calculating the blended wage adjusted composite payment rates for 2006. (Table attached.)

In addition, because the drug add-on adjustment is determined as a percentage of the composite rate, it was necessary to adjust the drug add-on percentage to account for the 1.6 percent increase in the composite payment rate in order to ensure that the total dollars allocated from the drug add-on adjustment remains constant. Using the updated composite payment rates, the updated drug add-on adjustment is 12.9 percent. The inflation adjustment of 1.4 percent is unchanged. Therefore, the total drug add-on adjustment to the composite payment rate for 2006 is 14.5 percent instead of the 14.7 percent indicated in CR 4196.

## II. BUSINESS REQUIREMENTS

*“Shall” denotes a mandatory requirement*  
*“Should” denotes an optional requirement*

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F	R	C	D	Shared System Maintainers			Other	
		I	H	A	M	F	M	V	C	
			H	R	E	I	C	M	W	
			I	I	R	S	S	S	F	
			r	e	C					



Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
4291.5	A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/medlearn/matters">www.cms.hhs.gov/medlearn/matters</a> shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X							

**IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS**

**A. Other Instructions:**

X-Ref Requirement #	Instructions
Instructions	This CR supplements CR 4196

**B. Design Considerations: NA**

X-Ref Requirement #	Recommendation for Medicare System Requirements

**C. Interfaces: NA**

**D. Contractor Financial Reporting /Workload Impact: NA**

**E. Dependencies: NA**

**F. Testing Considerations: NA**

**V. SCHEDULE, CONTACTS, AND FUNDING**

<p><b>Effective Date*:</b> January 1, 2006</p> <p><b>Implementation Date:</b> February 13, 2006</p> <p><b>Pre-Implementation Contact(s):</b> Lisa Hubbard (410) 786-5472</p> <p><b>For Billing Issues Contact(s):</b> Wendy Tucker (410) 786-3004</p> <p><b>Post-Implementation Contact(s):</b> Lisa Hubbard, (410) 786-5472</p> <p><b>For Billing Issues Contact(s):</b> Wendy Tucker (410) 786-3004</p>	<p><b>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</b></p>

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

**Attachment**

*(Rev. 44, Issued: 02-10-06, Effective:01-01-06 , Implementation: 02-13-06)*

Table x: Composite Payment Rates Effective January 1, 2006

MSA Code	Name of MSA	Hospital-based	Independent
01	ALABAMA	129.61	125.15
02	ALASKA	148.69	148.69
03	ARIZONA	130.74	126.34
04	ARKANSAS	129.61	125.15
05	CALIFORNIA	139.19	135.40
06	COLORADO	130.26	125.84
07	CONNECTICUT	138.20	134.34
08	DELAWARE	130.82	126.43
10	FLORIDA	129.79	125.34
11	GEORGIA	129.61	125.15
12	HAWAII	142.65	139.11
13	IDAHO	129.88	125.43
14	ILLINOIS	129.61	125.15
15	INDIANA	129.61	125.15
16	IOWA	129.61	125.15
17	KANSAS	129.61	125.15
18	KENTUCKY	129.61	125.15
19	LOUISIANA	129.61	125.15
20	MAINE	129.61	125.15
21	MARYLAND	132.35	128.10
22	MASSACHUSETTS	138.17	134.31
23	MICHIGAN	135.11	131.03
24	MINNESOTA	129.61	125.15
25	MISSISSIPPI	129.61	125.15
26	MISSOURI	129.61	125.15
27	MONTANA	129.92	125.48
28	NEBRASKA	129.61	125.15
29	NEVADA	135.33	131.27
30	NEW HAMPSHIRE	134.36	130.23
32	NEW MEXICO	130.74	126.35
33	NEW YORK	129.82	125.37
34	NORTH CAROLINA	129.61	125.15
35	NORTH DAKOTA	129.74	125.28
36	OHIO	130.72	126.33
37	OKLAHOMA	129.61	125.15
38	OREGON	134.78	130.70
39	PENNSYLVANIA	134.66	130.54
40	PUERTO RICO	129.61	125.15
41	RHODE ISLAND	132.95	128.72
42	SOUTH CAROLINA	129.61	125.15
43	SOUTH DAKOTA	129.61	125.15
44	TENNESSEE	129.61	125.15
45	TEXAS	129.61	125.15
46	UTAH	130.62	126.23

MSA Code	Name of MSA	Hospital-based	Independent
47	VERMONT	129.61	125.15
49	VIRGINIA	129.61	125.15
50	WASHINGTON	133.45	129.25
51	WEST VIRGINIA	130.48	126.08
52	WISCONSIN	129.61	125.15
53	WYOMING	133.39	129.18
67	TEXAS	129.61	125.15
68	FLORIDA	129.79	125.34
80	MARYLAND	132.35	128.10
0040	ABILENE	129.62	125.15
0060	AGUADILLA	129.61	125.15
0080	AKRON	139.59	135.82
0120	ALBANY	129.61	125.15
0160	ALBANY-SCHENECTADY-TROY	132.01	127.71
0200	ALBUQUERQUE	137.77	133.88
0220	ALEXANDRIA	131.78	127.47
0240	ALLENTOWN-BETHLEHEM	136.91	132.96
0280	ALTOONA	135.93	131.92
0320	AMARILLO	132.11	127.81
0360	ANAHEIM-SANTA ANA	148.05	144.92
0380	ANCHORAGE	148.69	148.69
0400	ANDERSON	133.85	129.67
0405	ANDERSON	129.61	125.15
0440	ANN ARBOR	148.13	144.99
0450	ANNISTON	129.61	125.15
0460	APPLETON-OSHKOSH-NEENAH	134.72	130.62
0470	ARECIBO	129.61	125.15
0480	ASHEVILLE	132.66	128.41
0500	ATHENS	129.61	125.15
0520	ATLANTA	132.15	127.85
0560	ATLANTIC CITY	136.88	132.91
0600	AUGUSTA	132.16	127.86
0620	AURORA-ELGIN	142.45	138.89
0640	AUSTIN	137.30	133.39
0680	BAKERSFIELD	143.91	140.46
0720	BALTIMORE	140.77	137.09
0733	BANGOR	131.41	127.09
0760	BATON ROUGE	133.91	129.75
0780	BATTLE CREEK	136.19	132.19
0840	BEAUMONT-PORT ARTHUR	132.94	128.70
0845	BEAVER COUNTY	140.74	137.05
0860	BELLINGHAM	135.00	130.91
0870	BENTON HARBOR	129.61	125.15
0875	BERGEN-PASSAIC	144.50	142.96
0880	BILLINGS	134.27	130.13
0920	BILOXI-GULFPORT	129.61	125.15
0960	BINGHAMTON	132.08	127.78
1000	BIRMINGHAM	133.94	129.77
1010	BISMARCK	132.73	128.49



MSA Code	Name of MSA	Hospital-based	Independent
1020	BLOOMINGTON	131.86	127.55
1040	BLOOMINGTON-NORMAL	131.77	127.46
1080	BOISE CITY	137.39	133.49
1123	BOSTON-SALEM-BROCKTON	141.68	138.06
1125	BOULDER-LONGMONT	142.87	139.34
1140	BRADENTON	130.85	126.46
1145	BRAZORIA	136.16	132.16
1150	BREMERTON	131.21	126.87
1163	BRIDGEPORT-NORWALK-DANBURY	143.75	140.29
1240	BROWNSVILLE-HARLINGEN	131.87	127.57
1260	BRYAN-COLLEGE STATION	130.74	126.36
1280	BUFFALO	135.69	131.66
1300	BURLINGTON	129.61	125.15
1303	BURLINGTON	133.47	129.28
1310	CAGUAS	129.61	125.15
1320	CANTON	133.61	129.44
1350	CASPER	138.47	134.64
1360	CEDAR RAPIDS	133.15	128.95
1400	CHAMPAIGN-URBANA-RANTOUL	135.52	131.46
1440	CHARLESTON	133.54	129.37
1480	CHARLESTON	138.03	134.17
1520	CHARLOTTE-ROCK HILL	131.87	127.58
1540	CHARLOTTEVILLE	135.28	131.22
1560	CHATTANOOGA	134.57	130.44
1580	CHEYENNE	133.31	129.09
1600	CHICAGO	145.07	141.71
1620	CHICO	141.76	138.16
1640	CINCINNATI	139.42	135.64
1660	CLARKSVILLE-HOPKINSVILLE	129.61	125.15
1680	CLEVELAND	143.93	140.48
1720	COLORADO SPRINGS	138.00	134.14
1740	COLUMBIA	142.32	138.74
1760	COLUMBIA	132.52	128.26
1800	COLUMBUS	130.20	125.77
1840	COLUMBUS	136.27	132.27
1880	CORPUS CHRISTI	133.62	129.45
1900	CUMBERLAND	130.27	125.85
1920	DALLAS	136.62	132.65
1950	DANVILLE	129.61	125.15
1960	DAVENPORT-MOLINE	135.25	131.18
2000	DAYTON-SPRINGFIELD	140.03	136.29
2020	DAYTONA BEACH	129.90	125.45
2040	DECATUR	133.80	129.61
2080	DENVER	145.90	142.60
2120	DES MOINES	137.37	133.46
2160	DETROIT	145.32	141.97
2180	DOTHAN	129.61	125.15
2200	DUBUQUE	134.75	130.67
2240	DULUTH	132.18	127.89

MSA Code	Name of MSA	Hospital-based	Independent
2290	EAU CLAIRE	130.90	126.52
2320	EL PASO	130.46	126.07
2330	ELKHART-GOSHEN	131.37	127.01
2335	ELMIRA	134.75	130.66
2340	ENID	131.58	127.24
2360	ERIE	133.93	129.78
2400	EUGENE-SPRINGFIELD	135.50	131.44
2440	EVANSVILLE	136.25	132.24
2520	FARGO-MOORHEAD	135.97	131.96
2560	FAYETTEVILLE	129.61	125.15
2580	FAYETTEVILLE-SPRINGDALE	129.61	125.15
2640	FLINT	144.10	140.67
2650	FLORENCE	129.61	125.15
2655	FLORENCE	129.61	125.15
2670	FORT COLLINS-LOVELAND	133.59	129.42
2680	FT LAUDERDALE-POMPANO BEACH	139.43	135.65
2700	FORT MYERS-CAPE CORAL	131.81	127.50
2710	FORT PIERCE	132.17	127.88
2720	FORT SMITH	131.03	126.66
2750	FORT WALTON BEACH	129.61	125.15
2760	FORT WAYNE	131.39	127.05
2800	FORT WORTH-ARLINGTON	135.19	131.10
2840	FRESNO	144.36	140.94
2880	GADSDEN	130.54	126.16
2900	GAINESVILLE	132.33	128.08
2920	GALVESTON-TEXAS CITY	140.07	136.35
2960	GARY-HAMMOND	140.69	137.01
2975	GLENS FALLS	131.04	126.67
2985	GRAND FORKS	131.33	126.98
3000	GRAND RAPIDS	135.54	131.51
3040	GREAT FALLS	134.20	130.06
3060	GREELEY	136.49	132.52
3080	GREEN BAY	135.47	131.40
3120	GREENSBORO-WINSTON SALEM-HIGH PT	131.74	127.43
3160	GREENVILLE-SPARTANBURG	132.23	127.97
3180	HAGERSTOWN	134.91	130.84
3200	HAMILTON-MIDDLETOWN	137.03	133.08
3240	HARRISBURG-LEBANON-CARLISLE	136.06	132.05
3283	HARTFORD-NEW BRITAIN-BRISTOL	142.63	139.09
3290	HICKORY	129.61	125.15
3320	HONOLULU	144.00	140.55
3350	HOUMA-THIBODAUX	130.07	125.64
3360	HOUSTON	139.44	135.67
3400	HUNTINGTON-ASHLAND	132.19	127.89
3440	HUNTSVILLE	129.61	125.15
3480	INDIANAPOLIS	137.32	133.40
3500	IOWA CITY	145.52	142.62
3520	JACKSON	136.58	132.62

MSA Code	Name of MSA	Hospital-based	Independent
3560	JACKSON	130.88	126.50
3580	JACKSON	129.61	125.15
3600	JACKSONVILLE	132.86	128.61
3605	JACKSONVILLE	129.79	125.34
3620	JANESVILLE-BELOIT	130.44	126.03
3640	JERSEY CITY	140.68	137.00
3660	JOHNSON CITY-BRISTOL	129.61	125.15
3680	JOHNSTOWN	135.49	131.43
3690	JOLIET	142.91	139.39
3710	JOPLIN	130.02	125.59
3720	KALAMAZOO	145.54	142.22
3740	KANKAKEE	132.93	128.69
3760	KANSAS CITY	135.35	131.28
3800	KENOSHA	139.59	135.83
3810	KILLEEN-TEMPLE	130.17	125.73
3840	KNOXVILLE	129.88	125.43
3850	KOKOMO	134.51	130.39
3870	LA CROSSE	133.10	128.90
3880	LAFAYETTE	134.97	130.89
3920	LAFAYETTE	130.71	126.32
3960	LAKE CHARLES	132.25	127.99
3965	LAKE COUNTY	143.67	140.19
3980	LAKELAND-WINTER HAVEN	129.61	125.15
4000	LANCASTER	137.55	133.64
4040	LANSING-EAST LANSING	138.16	134.29
4080	LAREDO	129.61	125.15
4100	LAS CRUCES	129.61	125.15
4120	LAS VEGAS	143.27	139.78
4150	LAWRENCE	133.93	129.77
4200	LAWTON	132.35	128.10
4243	LEWISTON-AUBURN	130.44	126.04
4280	LEXINGTON-FAYETTE	132.29	128.03
4320	LIMA	135.42	131.36
4360	LINCOLN	132.04	127.73
4400	LITTLE ROCK-N LITTLE ROCK	138.14	134.28
4420	LONGVIEW-MARSHALL	129.61	125.15
4440	LORAIN-ELYRIA	136.37	132.38
4480	LOS ANGELES-LONG BEACH	148.69	147.34
4520	LOUISVILLE	136.55	132.59
4600	LUBBOCK	131.95	127.64
4640	LYNCHBURG	130.05	125.61
4680	MACON-WARNER ROBINS	131.53	127.19
4720	MADISON	137.62	133.74
4763	MANCHESTER-NASHUA	133.30	129.07
4800	MANSFIELD	132.49	128.22
4840	MAYAGUEZ	129.61	125.15
4880	MCALLEN-EDINBURG-MISSION	129.61	125.15
4890	MEDFORD	135.13	131.05
4900	MELBOURNE-TITUSVILLE	132.27	128.01

MSA Code	Name of MSA	Hospital-based	Independent
4920	MEMPHIS	137.26	133.33
4940	MERCED	140.67	136.99
5000	MIAMI-HIALEAH	140.69	137.01
5015	MIDDLESEX-HUNTERDON	137.03	133.09
5040	MIDLAND	137.26	133.34
5080	MILWAUKEE	138.94	135.15
5120	MINNEAPOLIS-ST PAUL	138.29	134.45
5160	MOBILE	131.06	126.70
5170	MODESTO	140.26	136.56
5190	MONMOUTH-OCEAN	135.21	131.12
5200	MONROE	131.25	126.90
5240	MONTGOMERY	132.22	127.93
5280	MUNCIE	133.46	129.26
5320	MUSKEGON	133.79	129.61
5345	NAPLES	132.64	128.37
5360	NASHVILLE	134.83	130.76
5380	NASSAU-SUFFOLK	148.69	146.66
5403	NEW BEDFORD-FALL RIVER-ATTELBORO	133.90	129.74
5483	NEW HAVEN-WATERBURY-MERIDEN	139.70	135.94
5523	NEW LONDON-NORWICH	139.44	135.66
5560	NEW ORLEANS	132.77	128.52
5600	NEW YORK	148.69	148.69
5640	NEWARK	143.35	139.87
5700	NIAGARA FALLS	132.39	128.13
5720	NORFOLK-NEWPORT NEWS	131.74	127.43
5775	OAKLAND	148.69	148.25
5790	OCALA	130.85	126.47
5800	ODESSA	131.70	127.39
5880	OKLAHOMA CITY	136.82	132.87
5910	OLYMPIA	137.66	133.77
5920	OMAHA	135.12	131.04
5950	ORANGE COUNTY	134.58	130.44
5960	ORLANDO	134.58	130.44
5990	OWENSBORO	129.61	125.15
6000	OXNARD-VENTURA	148.62	147.37
6015	PANAMA CITY	129.61	125.15
6020	PARKERSBURG-MARIETTA	132.98	128.76
6025	PASCAGOULA	137.67	133.78
6080	PENSACOLA	130.31	125.89
6120	PEORIA	139.02	135.23
6160	PHILADELPHIA	143.74	140.28
6200	PHOENIX	140.17	136.47
6240	PINE BLUFF	129.61	125.15
6280	PITTSBURGH	140.91	137.25
6323	PITTSFIELD	136.01	131.99
6360	PONCE	129.61	125.15
6403	PORTLAND	135.09	131.00
6440	PORTLAND	142.15	138.58
6453	PORTSMOUTH-DOVER-ROCHESTER	130.34	125.93

MSA Code	Name of MSA	Hospital-based	Independent
6460	POUGHKEEPSIE	138.01	134.14
	PROVIDENCE-PAWTUCKET-		132.78
6483	WOONSOCKET	136.73	
6520	PROVO-OREM	132.51	128.24
6560	PUEBLO	139.43	135.66
6600	RACINE	131.59	127.26
6640	RALEIGH-DURHAM	135.06	130.96
6660	RAPID CITY	130.84	126.46
6680	READING	135.29	131.22
6690	REDDING	141.20	137.56
6720	RENO	146.63	144.80
6740	RICHLAND-KENNEWICK	134.07	129.94
6760	RICHMOND-PETERSBURG	131.84	127.54
6780	RIVERSIDE-SAN BERNARDINO	145.95	142.65
6800	ROANOKE	132.42	128.15
6820	ROCHESTER	136.38	132.39
6840	ROCHESTER	136.65	132.69
6880	ROCKFORD	138.81	134.98
6920	SACRAMENTO	146.47	143.38
6960	SAGINAW-BAY CITY- MIDLAND	140.43	136.72
6980	ST CLOUD	131.62	127.29
7000	ST JOSEPH	134.31	130.17
7040	ST LOUIS	137.23	133.31
7080	SALEM	138.89	135.09
7120	SALINAS-SEASIDE-MONTEREY	146.40	143.13
7160	SALT LAKE CITY-OGDEN	133.37	129.16
7200	SAN ANGELO	129.61	125.15
7240	SAN ANTONIO	131.37	127.03
7320	SAN DIEGO	147.07	144.31
7360	SAN FRANCISCO	148.69	148.25
7400	SAN JOSE	148.69	148.01
7440	SAN JUAN	129.61	125.15
7480	SANTA BARBARA-LOMPOC	141.37	137.75
7485	SANTA CRUZ	142.89	139.37
7490	SANTA FE	131.89	127.60
7500	SANTA ROSA-PETALUMA	148.69	147.92
7510	SARASOTA	134.09	129.95
7520	SAVANNAH	131.80	127.49
7560	SCRANTON-WILKES BARRE	135.80	131.78
7600	SEATTLE	139.06	135.27
7610	SHARON	134.19	130.05
7620	SHEBOYGAN	131.35	127.01
7640	SHERMAN-DENISON	129.61	125.15
7680	SHREVEPORT	135.36	131.30
7720	SIOUX CITY	134.59	130.45
7760	SIOUX FALLS	132.71	128.46
7800	SOUTH BEND-MISHAWAKA	132.21	127.93
7840	SPOKANE	140.59	136.91
7880	SPRINGFIELD	139.47	135.70

MSA Code	Name of MSA	Hospital- based	Independent
7920	SPRINGFIELD	131.55	127.21
8003	SPRINGFIELD	135.52	131.46
8050	STATE COLLEGE	140.12	136.40
8080	STEUBENVILLE-WEIRTON	133.56	129.39
8120	STOCKTON	148.69	147.38
8160	SYRACUSE	143.62	142.01
8200	TACOMA	138.71	134.88
8240	TALLAHASSE	131.99	127.68
8280	TAMPA-ST PETERSBURG-CLEARWATER	134.39	130.26
8320	TERRE HAUTE	129.61	125.15
8360	TEXARKANA	137.76	133.86
8400	TOLEDO	143.16	139.65
8440	TOPEKA	138.06	134.21
8480	TRENTON	137.83	133.93
8520	TUCSON	136.16	132.15
8560	TULSA	135.44	131.37
8600	TUSCALOOSA	136.00	131.99
8640	TYLER	134.28	130.14
8680	UTICA-ROME	132.50	128.24
8720	VALLEJO-FAIRFIELD-NAPA	148.69	148.52
8725	VANCOUVER	141.35	137.70
8750	VICTORIA	129.61	125.15
8760	VINELAND-MILLVILLE-BRIDGETON	134.60	130.46
8780	VISALIA-PORTERVILLE	144.29	142.73
8800	WACO	129.85	125.40
8840	WASHINGTON	144.01	140.56
8920	WATERLOO-CEDAR FALLS	131.57	127.24
8940	WAUSAU	132.99	128.77
8960	WEST PALM & DELRAY BEACH	133.95	129.79
9000	WHEELING	133.94	129.78
9040	WICHITA	138.86	135.06
9080	WICHITA FALLS	129.61	125.15
9140	WILLIAMSPORT	132.32	128.06
9160	WILMINGTON	138.90	135.10
9200	WILMINGTON	130.80	126.41
9243	WORCESTER-LEOMINSTER	134.55	130.42
9260	YAKIMA	134.36	130.23
9280	YORK	134.57	130.44
9320	YOUNGSTOWN-WARREN	139.45	135.68
9340	YUBA CITY	139.21	135.42

# Medicare Benefit Policy Manual

## Chapter 11 - End Stage Renal Disease (ESRD)

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### Table of Contents

*(Rev. 44, 02-10-06)*

*30.5.1 New ESRD Composite Payment Rates Effective January 1, 2006*

### ***30.5 - New ESRD Composite Payment Rates Effective January 1, 2005***

***(Rev. 44, Issued: 02-10-06; Effective: 01-01-06; Implementation: 02-13-06)***

*Section 623 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 mandates that the composite payment rates as increased by the 1.6 percent, must also include a drug add-on adjustment in the amount of 8.7 percent for the difference between the payment amounts for separately billable drugs and biologicals and their acquisition costs as determined by Inspector General reports.*

#### ***30.5.1 - New ESRD Composite Payment Rates Effective January 1, 2006***

***(Rev. 44, Issued: 02-10-06; Effective: 01-01-06; Implementation: 02-13-06)***

*Congress has amended section 1881(b)(12) of the Social Security Act to provide for a 1.6 percent update to the ESRD composite payment rate, effective for dialysis treatment furnished on or after January 1, 2006.*

*In addition, because the drug add-on adjustment is determined as a percentage of the composite rate, it was necessary to adjust the drug add-on percentage to account for the 1.6 percent increase in the composite payment rate in order to ensure that the total dollars allocated from the drug add-on adjustment remains constant. Using the updated composite payment rates, the updated drug add-on adjustment is 12.9 percent. The inflation adjustment of 1.4 percent is unchanged. Therefore, the total drug add-on adjustment to the composite payment rate for 2006 is 14.5 percent instead of the 14.7 percent*