MEDICARE PART A BULLETIN

July 29, 1998 ESRD Medicare Bulletin E-37

TO: All ESRD Medicare Providers

FROM: Program Relations

SUBJECT: **Modification of Medicare Policy for Erythropoietin (EPO)**

ATTENTION MEDICARE BUSINESS OFFICE MANAGER: Please distribute to all appropriate health care facility personnel.

End Stage Renal Disease (ESRD) Medicare Bulletin E-34, dated March 31,1998, notified providers of instructions from the Health Care Financing Administration (HCFA) regarding processing and payment calculation changes for (ESRD) patients receiving erythropoietin (EPO). **HCFA has modified the instructions effective immediately.**

This Medicare Bulletin supersedes the instructions published in Medicare Bulletin E-34. These instructions provided for prepayment review of claims for EPO where the hematocrit level exceeded 36 percent.

When indicated, a post-payment review of EPO will be conducted by reviewing a 90-day rolling average of hematocrit levels. Due to the natural variability in hematocrit levels and because we are encouraging practitioners to maintain a hematocrit level within the range of 33 to 36 percent as recommended by the Dialysis Outcomes Quality Initiative, a threshold hematocrit value of 37.5 percent will be utilized to target aberrant cases.

HCFA is developing a national policy for Medicare exceptions justifying a target hematocrit greater than 33 to 36 percent. In the interim, upon review if the treating physician indicates it is medically necessary to have a target hematocrit that is greater than 36 percent, then the medical justification must be fully documented.

These instructions apply only to EPO furnished under the section 1881(b) benefit. There is no national policy related to EPO furnished incident to a physician service.