

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-02 Medicare Benefit Policy</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 67</b>	<b>Date: MARCH 9, 2007</b>
	<b>Change Request 5535</b>

**Subject: 2007 Update to the End Stage Renal Disease Composite Payment Rates**

**I. SUMMARY OF CHANGES:** Section 1881(b) of the Social Security Act, as amended by section 623 of the Medicare Modernization Act, directed the Secretary to make a number of revisions to the composite rate payment system, as well as payment for separately billable drugs furnished by ESRD facilities.

For services furnished on or after January 1, 2006, and before April 1, 2007, the current composite rate component of the basic case-mix adjusted system for dialysis services remains unchanged.

On December 20, 2006, the Tax Relief and Health Care Act (TRHCA) of 2006 was enacted. The TRHCA increased the amount of the composite rate component of the basic case-mix adjusted system by 1.6 percent for services furnished on or after April 1, 2007.

Using the updated composite payment rates, the updated drug add-on adjustment is 14.3 percent. The inflation adjustment of 0.5 percent is unchanged. Therefore, the total drug add-on adjustment for services on or after April 1, 2007, is 14.9 percent.

**New / Revised Material**

**Effective Date: April 1, 2007**

**Implementation Date: April 2, 2007**

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

R=REVISED, N=NEW, D=DELETED

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
<b>R</b>	11/30.5.1/New ESRD Composite Payment Rates

**III. FUNDING:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

**IV. ATTACHMENTS:**

**Business Requirements  
Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-02	Transmittal: 67	Date: March 9, 2007	Change Request: 5535
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**SUBJECT: 2007 Update to the End Stage Renal Disease (ESRD) Composite Payment Rates**

**Effective Date: April 1, 2007**

**Implementation Date: April 2, 2007**

## **I. GENERAL INFORMATION**

**A. Background:** Section 1881(b) of the Social Security Act, as amended by section 623 of the Medicare Modernization Act, directed the Secretary to make a number of revisions to the composite rate payment system, as well as payment for separately billable drugs furnished by ESRD facilities.

For services furnished on or after January 1, 2006, and before April 1, 2007, the current composite rate component of the basic case-mix adjusted system for dialysis services remains unchanged.

On December 20, 2006, the Tax Relief and Health Care Act (TRHCA) of 2006 was enacted. The TRHCA increased the amount of the composite rate component of the basic case-mix adjusted system by 1.6 percent for services furnished on or after April 1, 2007.

Effective April 1, 2007, the base composite payment rates will be increased to \$132.49 for independent ESRD facilities and \$136.68 for hospital-based ESRD facilities. CMS has also updated the wage adjusted composite rate table that reflects the MSA-based ("old") wage data for purposes of calculating the blended wage-adjusted base payment rates for CY 2007. (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 adjustment to account for the 1.6 percent increase in the composite rate 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 14.3 percent. The inflation adjustment of 0.5 percent is unchanged. Therefore, the total drug add-on adjustment for services furnished after April 1, 2007, is 14.9 percent.

**B. Policy:** Upon implementation of this instruction, the following changes will be applied to the composite rate payment for all Medicare certified ESRD facilities:

For services performed on or after January 1, 2006, and before April 1, 2007, the current composite payment component remains unchanged.

Base composite rates will be adjusted to include an increase of 1.6 percent and the drug add-on factor is changed to 14.9 percent for services furnished on or after April 1, 2007.



#### IV. SUPPORTING INFORMATION

**A. For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**B. For all other recommendations and supporting information, use this space:**

#### V. CONTACTS

**Pre-Implementation Contact(s):**

**For Policy Issue Contact(s):** Lisa Hubbard (410) 786-5472

**For Billing Issues Contact(s):** Wendy Tucker (410) 786-3004

**Post-Implementation Contact(s):**

**For Policy Issue Contact(s):** Lisa Hubbard, (410) 786-5472

**For Billing Issues Contact(s):** Wendy Tucker (410) 786-3004

#### VI. FUNDING

**A. For Fiscal Intermediaries, Carriers, and the Durable Medical Equipment Regional Carrier (DMERC), use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2007 operating budgets.

**B. For Medicare Administrative Contractors (MAC), use the following statement:**

The contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the Statement of Work (SOW). The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Attachment

01	ALABAMA	\$ 131.68	\$ 127.15
02	ALASKA	\$ 151.07	\$ 151.07
03	ARIZONA	\$ 132.83	\$ 128.36
04	ARKANSAS	\$ 131.68	\$ 127.15
05	CALIFORNIA	\$ 141.42	\$ 137.57
06	COLORADO	\$ 132.34	\$ 127.85
07	CONNECTICUT	\$ 140.41	\$ 136.49
08	DELAWARE	\$ 132.91	\$ 128.45
10	FLORIDA	\$ 131.87	\$ 127.35
11	GEORGIA	\$ 131.68	\$ 127.15
12	HAWAII	\$ 144.93	\$ 141.34
13	IDAHO	\$ 131.96	\$ 127.44
14	ILLINOIS	\$ 131.68	\$ 127.15
15	INDIANA	\$ 131.68	\$ 127.15
16	IOWA	\$ 131.68	\$ 127.15
17	KANSAS	\$ 131.68	\$ 127.15
18	KENTUCKY	\$ 131.68	\$ 127.15
19	LOUISIANA	\$ 131.68	\$ 127.15
20	MAINE	\$ 131.68	\$ 127.15
21	MARYLAND	\$ 134.47	\$ 130.15
22	MASSACHUSETTS	\$ 140.38	\$ 136.46
23	MICHIGAN	\$ 137.27	\$ 133.13
24	MINNESOTA	\$ 131.68	\$ 127.15
25	MISSISSIPPI	\$ 131.68	\$ 127.15
26	MISSOURI	\$ 131.68	\$ 127.15
27	MONTANA	\$ 132.00	\$ 127.49
28	NEBRASKA	\$ 131.68	\$ 127.15
29	NEVADA	\$ 137.50	\$ 133.37
30	NEW HAMPSHIRE	\$ 136.51	\$ 132.31
32	NEW MEXICO	\$ 132.83	\$ 128.37
33	NEW YORK	\$ 131.90	\$ 127.38
34	NORTH CAROLINA	\$ 131.68	\$ 127.15
35	NORTH DAKOTA	\$ 131.82	\$ 127.28
36	OHIO	\$ 132.81	\$ 128.35
37	OKLAHOMA	\$ 131.68	\$ 127.15
38	OREGON	\$ 136.94	\$ 132.79
39	PENNSYLVANIA	\$ 136.81	\$ 132.63
40	PUERTO RICO	\$ 131.68	\$ 127.15
41	RHODE ISLAND	\$ 135.08	\$ 130.78
42	SOUTH CAROLINA	\$ 131.68	\$ 127.15
43	SOUTH DAKOTA	\$ 131.68	\$ 127.15
44	TENNESSEE	\$ 131.68	\$ 127.15
45	TEXAS	\$ 131.68	\$ 127.15
46	UTAH	\$ 132.71	\$ 128.25
47	VERMONT	\$ 131.68	\$ 127.15
48	VIRGIN ISLANDS	\$ 131.68	\$ 127.15
49	VIRGINIA	\$ 131.68	\$ 127.15
50	WASHINGTON	\$ 135.59	\$ 131.32
51	WEST VIRGINIA	\$ 132.57	\$ 128.10
52	WISCONSIN	\$ 131.68	\$ 127.15
53	WYOMING	\$ 135.52	\$ 131.25
55	CALIFORNIA	\$ 141.42	\$ 137.57
67	TEXAS	\$ 131.68	\$ 127.15
68	FLORIDA	\$ 131.87	\$ 127.35

69	FLORIDA	\$ 131.87	\$ 127.35
70	KANSAS	\$ 131.68	\$ 127.15
71	LOUISIANA	\$ 131.68	\$ 127.15
72	OHIO	\$ 132.81	\$ 128.35
73	PENNSYLVANIA	\$ 136.81	\$ 132.63
74	TEXAS	\$ 131.68	\$ 127.15
75	CALIFORNIA	\$ 141.42	\$ 137.57
76	IOWA	\$ 131.68	\$ 127.15
77	MINNESOTA	\$ 131.68	\$ 127.15
78	ILLINOIS	\$ 131.68	\$ 127.15
80	MARYLAND	\$ 134.47	\$ 130.15
0040	ABILENE	\$ 131.69	\$ 127.15
0060	AGUADILLA	\$ 131.68	\$ 127.15
0080	AKRON	\$ 141.82	\$ 137.99
0120	ALBANY	\$ 131.68	\$ 127.15
0160	ALBANY-SCHENECTADY-TROY	\$ 134.12	\$ 129.75
0200	ALBUQUERQUE	\$ 139.97	\$ 136.02
0220	ALEXANDRIA	\$ 133.89	\$ 129.51
0240	ALLENTOWN-BETHLEHEM	\$ 139.10	\$ 135.09
0280	ALTOONA	\$ 138.10	\$ 134.03
0320	AMARILLO	\$ 134.22	\$ 129.85
0360	ANAHEIM-SANTA ANA	\$ 150.42	\$ 147.24
0380	ANCHORAGE	\$ 151.07	\$ 151.07
0400	ANDERSON	\$ 135.99	\$ 131.74
0405	ANDERSON	\$ 131.68	\$ 127.15
0440	ANN ARBOR	\$ 150.50	\$ 147.31
0450	ANNISTON	\$ 131.68	\$ 127.15
0460	APPLETON-OSHKOSH-NEENAH	\$ 136.88	\$ 132.71
0470	ARECIBO	\$ 131.68	\$ 127.15
0480	ASHEVILLE	\$ 134.78	\$ 130.46
0500	ATHENS	\$ 131.68	\$ 127.15
0520	ATLANTA	\$ 134.26	\$ 129.90
0560	ATLANTIC CITY	\$ 139.07	\$ 135.04
0600	AUGUSTA	\$ 134.27	\$ 129.91
0620	AURORA-ELGIN	\$ 144.73	\$ 141.11
0640	AUSTIN	\$ 139.50	\$ 135.52
0680	BAKERSFIELD	\$ 146.21	\$ 142.71
0720	BALTIMORE	\$ 143.02	\$ 139.28
0733	BANGOR	\$ 133.51	\$ 129.12
0760	BATON ROUGE	\$ 136.05	\$ 131.83
0780	BATTLE CREEK	\$ 138.37	\$ 134.31
0840	BEAUMONT-PORT ARTHUR	\$ 135.07	\$ 130.76
0845	BEAVER COUNTY	\$ 142.99	\$ 139.24
0860	BELLINGHAM	\$ 137.16	\$ 133.00
0870	BENTON HARBOR	\$ 131.68	\$ 127.15
0875	BERGEN-PASSAIC	\$ 146.81	\$ 145.25
0880	BILLINGS	\$ 136.42	\$ 132.21
0920	BILOXI-GULFPORT	\$ 131.68	\$ 127.15
0960	BINGHAMTON	\$ 134.19	\$ 129.82
1000	BIRMINGHAM	\$ 136.08	\$ 131.85
1010	BISMARCK	\$ 134.85	\$ 130.55
1020	BLOOMINGTON	\$ 133.97	\$ 129.59
1040	BLOOMINGTON-NORMAL	\$ 133.88	\$ 129.50
1080	BOISE CITY	\$ 139.59	\$ 135.63
1123	BOSTON-SALEM-BROCKTON	\$ 143.95	\$ 140.27
1125	BOULDER-LONGMONT	\$ 145.16	\$ 141.57

1140	BRADENTON	\$ 132.94	\$ 128.48
1145	BRAZORIA	\$ 138.34	\$ 134.27
1150	BREMERTON	\$ 133.31	\$ 128.90
1163	BRIDGEPORT-NORWALK-DANBURY	\$ 146.05	\$ 142.53
1240	BROWNSVILLE-HARLINGEN	\$ 133.98	\$ 129.61
1260	BRYAN-COLLEGE STATION	\$ 132.83	\$ 128.38
1280	BUFFALO	\$ 137.86	\$ 133.77
1300	BURLINGTON	\$ 131.68	\$ 127.15
1303	BURLINGTON	\$ 135.61	\$ 131.35
1310	CAGUAS	\$ 131.68	\$ 127.15
1320	CANTON	\$ 135.75	\$ 131.51
1350	CASPER	\$ 140.69	\$ 136.79
1360	CEDAR RAPIDS	\$ 135.28	\$ 131.01
1400	CHAMPAIGN-URBANA-RANTOUL	\$ 137.69	\$ 133.56
1440	CHARLESTON	\$ 135.68	\$ 131.44
1480	CHARLESTON	\$ 140.24	\$ 136.32
1520	CHARLOTTE-ROCK HILL	\$ 133.98	\$ 129.62
1540	CHARLOTTESVILLE	\$ 137.44	\$ 133.32
1560	CHATTANOOGA	\$ 136.72	\$ 132.53
1580	CHEYENNE	\$ 135.44	\$ 131.16
1600	CHICAGO	\$ 147.39	\$ 143.98
1620	CHICO	\$ 144.03	\$ 140.37
1640	CINCINNATI	\$ 141.65	\$ 137.81
1660	CLARKSVILLE-HOPKINSVILLE	\$ 131.68	\$ 127.15
1680	CLEVELAND	\$ 146.23	\$ 142.73
1720	COLORADO SPRINGS	\$ 140.21	\$ 136.29
1740	COLUMBIA	\$ 144.60	\$ 140.96
1760	COLUMBIA	\$ 134.64	\$ 130.31
1800	COLUMBUS	\$ 132.28	\$ 127.78
1840	COLUMBUS	\$ 138.45	\$ 134.39
1880	CORPUS CHRISTI	\$ 135.76	\$ 131.52
1900	CUMBERLAND	\$ 132.35	\$ 127.86
1920	DALLAS	\$ 138.81	\$ 134.77
1950	DANVILLE	\$ 131.68	\$ 127.15
1960	DAVENPORT-MOLINE	\$ 137.41	\$ 133.28
2000	DAYTON-SPRINGFIELD	\$ 142.27	\$ 138.47
2020	DAYTONA BEACH	\$ 131.98	\$ 127.46
2040	DECATUR	\$ 135.94	\$ 131.68
2080	DENVER	\$ 148.23	\$ 144.88
2120	DES MOINES	\$ 139.57	\$ 135.60
2160	DETROIT	\$ 147.65	\$ 144.24
2180	DOTHAN	\$ 131.68	\$ 127.15
2200	DUBUQUE	\$ 136.91	\$ 132.76
2240	DULUTH	\$ 134.29	\$ 129.94
2290	EAU CLAIRE	\$ 132.99	\$ 128.54
2320	EL PASO	\$ 132.55	\$ 128.09
2330	ELKHART-GOSHEN	\$ 133.47	\$ 129.04
2335	ELMIRA	\$ 136.91	\$ 132.75
2340	ENID	\$ 133.69	\$ 129.28
2360	ERIE	\$ 136.07	\$ 131.86
2400	EUGENE-SPRINGFIELD	\$ 137.67	\$ 133.54
2440	EVANSVILLE	\$ 138.43	\$ 134.36
2520	FARGO-MOORHEAD	\$ 138.15	\$ 134.07
2560	FAYETTEVILLE	\$ 131.68	\$ 127.15
2580	FAYETTEVILLE-SPRINGDALE	\$ 131.68	\$ 127.15
2640	FLINT	\$ 146.41	\$ 142.92

2650	FLORENCE	\$ 131.68	\$ 127.15
2655	FLORENCE	\$ 131.68	\$ 127.15
2670	FORT COLLINS-LOVELAND	\$ 135.73	\$ 131.49
2680	FT LAUDERDALE-POMPANO BEACH	\$ 141.66	\$ 137.82
2700	FORT MYERS-CAPE CORAL	\$ 133.92	\$ 129.54
2710	FORT PIERCE	\$ 134.28	\$ 129.93
2720	FORT SMITH	\$ 133.13	\$ 128.69
2750	FORT WALTON BEACH	\$ 131.68	\$ 127.15
2760	FORT WAYNE	\$ 133.49	\$ 129.08
2800	FORT WORTH-ARLINGTON	\$ 137.35	\$ 133.20
2840	FRESNO	\$ 146.67	\$ 143.20
2880	GADSDEN	\$ 132.63	\$ 128.18
2900	GAINESVILLE	\$ 134.45	\$ 130.13
2920	GALVESTON-TEXAS CITY	\$ 142.31	\$ 138.53
2960	GARY-HAMMOND	\$ 142.94	\$ 139.20
2975	GLENS FALLS	\$ 133.14	\$ 128.70
2985	GRAND FORKS	\$ 133.43	\$ 129.01
3000	GRAND RAPIDS	\$ 137.71	\$ 133.61
3040	GREAT FALLS	\$ 136.35	\$ 132.14
3060	GREELEY	\$ 138.67	\$ 134.64
3080	GREEN BAY	\$ 137.64	\$ 133.50
3120	GREENSBORO-WINSTON SALEM- HIGH PT	\$ 133.85	\$ 129.47
3160	GREENVILLE-SPARTANBURG	\$ 134.35	\$ 130.02
3180	HAGERSTOWN	\$ 137.07	\$ 132.93
3200	HAMILTON-MIDDLETOWN	\$ 139.22	\$ 135.21
3240	HARRISBURG-LEBANON-CARLISLE	\$ 138.24	\$ 134.16
3283	HARTFORD-NEW BRITAIN-BRISTOL	\$ 144.91	\$ 141.32
3290	HICKORY	\$ 131.68	\$ 127.15
3320	HONOLULU	\$ 146.30	\$ 142.80
3350	HOUMA-THIBODAUX	\$ 132.15	\$ 127.65
3360	HOUSTON	\$ 141.67	\$ 137.84
3400	HUNTINGTON-ASHLAND	\$ 134.31	\$ 129.94
3440	HUNTSVILLE	\$ 131.68	\$ 127.15
3480	INDIANAPOLIS	\$ 139.52	\$ 135.53
3500	IOWA CITY	\$ 147.85	\$ 144.90
3520	JACKSON	\$ 138.77	\$ 134.74
3560	JACKSON	\$ 132.97	\$ 128.52
3580	JACKSON	\$ 131.68	\$ 127.15
3600	JACKSONVILLE	\$ 134.99	\$ 130.67
3605	JACKSONVILLE	\$ 131.87	\$ 127.35
3620	JANESVILLE-BELOIT	\$ 132.53	\$ 128.05
3640	JERSEY CITY	\$ 142.93	\$ 139.19
3660	JOHNSON CITY-BRISTOL	\$ 131.68	\$ 127.15
3680	JOHNSTOWN	\$ 137.66	\$ 133.53
3690	JOLIET	\$ 145.20	\$ 141.62
3710	JOPLIN	\$ 132.10	\$ 127.60
3720	KALAMAZOO	\$ 147.87	\$ 144.50
3740	KANKAKEE	\$ 135.06	\$ 130.75
3760	KANSAS CITY	\$ 137.52	\$ 133.38
3800	KENOSHA	\$ 141.82	\$ 138.00
3810	KILLEEN-TEMPLE	\$ 132.25	\$ 127.74
3840	KNOXVILLE	\$ 131.96	\$ 127.44
3850	KOKOMO	\$ 136.66	\$ 132.48
3870	LA CROSSE	\$ 135.23	\$ 130.96
3880	LAFAYETTE	\$ 137.13	\$ 132.98



3920	LAFAYETTE	\$ 132.80	\$ 128.34
3960	LAKE CHARLES	\$ 134.37	\$ 130.04
3965	LAKE COUNTY	\$ 145.97	\$ 142.43
3980	LAKELAND-WINTER HAVEN	\$ 131.68	\$ 127.15
4000	LANCASTER	\$ 139.75	\$ 135.78
4040	LANSING-EAST LANSING	\$ 140.37	\$ 136.44
4080	LAREDO	\$ 131.68	\$ 127.15
4100	LAS CRUCES	\$ 131.68	\$ 127.15
4120	LAS VEGAS	\$ 145.56	\$ 142.02
4150	LAWRENCE	\$ 136.07	\$ 131.85
4200	LAWTON	\$ 134.47	\$ 130.15
4243	LEWISTON-AUBURN	\$ 132.53	\$ 128.06
4280	LEXINGTON-FAYETTE	\$ 134.41	\$ 130.08
4320	LIMA	\$ 137.59	\$ 133.46
4360	LINCOLN	\$ 134.15	\$ 129.77
4400	LITTLE ROCK-N LITTLE ROCK	\$ 140.35	\$ 136.43
4420	LONGVIEW-MARSHALL	\$ 131.68	\$ 127.15
4440	LORAIN-ELYRIA	\$ 138.55	\$ 134.50
4480	LOS ANGELES-LONG BEACH	\$ 151.07	\$ 149.70
4520	LOUISVILLE	\$ 138.73	\$ 134.71
4600	LUBBOCK	\$ 134.06	\$ 129.68
4640	LYNCHBURG	\$ 132.13	\$ 127.62
4680	MACON-WARNER ROBINS	\$ 133.63	\$ 129.23
4720	MADISON	\$ 139.82	\$ 135.88
4763	MANCHESTER-NASHUA	\$ 135.43	\$ 131.14
4800	MANSFIELD	\$ 134.61	\$ 130.27
4840	MAYAGUEZ	\$ 131.68	\$ 127.15
4880	MCALLEN-EDINBURG-MISSION	\$ 131.68	\$ 127.15
4890	MEDFORD	\$ 137.29	\$ 133.15
4900	MELBOURNE-TITUSVILLE	\$ 134.39	\$ 130.06
4920	MEMPHIS	\$ 139.46	\$ 135.46
4940	MERCED	\$ 142.92	\$ 139.18
5000	MIAMI-HIALEAH	\$ 142.94	\$ 139.20
5015	MIDDLESEX-HUNTERDON	\$ 139.22	\$ 135.22
5040	MIDLAND	\$ 139.46	\$ 135.47
5080	MILWAUKEE	\$ 141.16	\$ 137.31
5120	MINNEAPOLIS-ST PAUL	\$ 140.50	\$ 136.60
5160	MOBILE	\$ 133.16	\$ 128.73
5170	MODESTO	\$ 142.50	\$ 138.74
5190	MONMOUTH-OCEAN	\$ 137.37	\$ 133.22
5200	MONROE	\$ 133.35	\$ 128.93
5240	MONTGOMERY	\$ 134.34	\$ 129.98
5280	MUNCIE	\$ 135.60	\$ 131.33
5320	MUSKEGON	\$ 135.93	\$ 131.68
5345	NAPLES	\$ 134.76	\$ 130.42
5360	NASHVILLE	\$ 136.99	\$ 132.85
5380	NASSAU-SUFFOLK	\$ 151.07	\$ 149.01
5403	NEW BEDFORD-FALL RIVER- ATTELBORO	\$ 136.04	\$ 131.82
5483	NEW HAVEN-WATERBURY- MERIDEN	\$ 141.94	\$ 138.12
5523	NEW LONDON-NORWICH	\$ 141.67	\$ 137.83
5560	NEW ORLEANS	\$ 134.89	\$ 130.58
5600	NEW YORK	\$ 151.07	\$ 151.07
5640	NEWARK	\$ 145.64	\$ 142.11
5700	NIAGARA FALLS	\$ 134.51	\$ 130.18

5720	NORFOLK-NEWPORT NEWS	\$ 133.85	\$ 129.47
5775	OAKLAND	\$ 151.07	\$ 150.62
5790	OCALA	\$ 132.94	\$ 128.49
5800	ODESSA	\$ 133.81	\$ 129.43
5880	OKLAHOMA CITY	\$ 139.01	\$ 135.00
5910	OLYMPIA	\$ 139.86	\$ 135.91
5920	OMAHA	\$ 137.28	\$ 133.14
5950	ORANGE COUNTY	\$ 136.73	\$ 132.53
5960	ORLANDO	\$ 136.73	\$ 132.53
5990	OWENSBORO	\$ 131.68	\$ 127.15
6000	OXNARD-VENTURA	\$ 151.00	\$ 149.73
6015	PANAMA CITY	\$ 131.68	\$ 127.15
6020	PARKERSBURG-MARIETTA	\$ 135.11	\$ 130.82
6025	PASCAGOULA	\$ 139.87	\$ 135.92
6080	PENSACOLA	\$ 132.39	\$ 127.90
6120	PEORIA	\$ 141.24	\$ 137.39
6160	PHILADELPHIA	\$ 146.04	\$ 142.52
6200	PHOENIX	\$ 142.41	\$ 138.65
6240	PINE BLUFF	\$ 131.68	\$ 127.15
6280	PITTSBURGH	\$ 143.16	\$ 139.45
6323	PITTSFIELD	\$ 138.19	\$ 134.10
6360	PONCE	\$ 131.68	\$ 127.15
6403	PORTLAND	\$ 137.25	\$ 133.10
6440	PORTLAND	\$ 144.42	\$ 140.80
6453	PORTSMOUTH-DOVER-ROCHESTER	\$ 132.43	\$ 127.94
6460	POUGHKEEPSIE	\$ 140.22	\$ 136.29
6483	PROVIDENCE-PAWTUCKET-WOONSOCKET	\$ 138.92	\$ 134.90
6520	PROVO-OREM	\$ 134.63	\$ 130.29
6560	PUEBLO	\$ 141.66	\$ 137.83
6600	RACINE	\$ 133.70	\$ 129.30
6640	RALEIGH-DURHAM	\$ 137.22	\$ 133.06
6660	RAPID CITY	\$ 132.93	\$ 128.48
6680	READING	\$ 137.45	\$ 133.32
6690	REDDING	\$ 143.46	\$ 139.76
6720	RENO	\$ 148.98	\$ 147.12
6740	RICHLAND-KENNEWICK	\$ 136.22	\$ 132.02
6760	RICHMOND-PETERSBURG	\$ 133.95	\$ 129.58
6780	RIVERSIDE-SAN BERNARDINO	\$ 148.29	\$ 144.93
6800	ROANOKE	\$ 134.54	\$ 130.20
6820	ROCHESTER	\$ 138.56	\$ 134.51
6840	ROCHESTER	\$ 138.84	\$ 134.81
6880	ROCKFORD	\$ 141.03	\$ 137.14
6920	SACRAMENTO	\$ 148.81	\$ 145.67
6960	SAGINAW-BAY CITY- MIDLAND	\$ 142.68	\$ 138.91
6980	ST CLOUD	\$ 133.73	\$ 129.33
7000	ST JOSEPH	\$ 136.46	\$ 132.25
7040	ST LOUIS	\$ 139.43	\$ 135.44
7080	SALEM	\$ 141.11	\$ 137.25
7120	SALINAS-SEASIDE-MONTEREY	\$ 148.74	\$ 145.42
7160	SALT LAKE CITY-OGDEN	\$ 135.50	\$ 131.23
7200	SAN ANGELO	\$ 131.68	\$ 127.15
7240	SAN ANTONIO	\$ 133.47	\$ 129.06
7320	SAN DIEGO	\$ 149.42	\$ 146.62
7360	SAN FRANCISCO	\$ 151.07	\$ 150.62

7400	SAN JOSE	\$ 151.07	\$ 150.38
7440	SAN JUAN	\$ 131.68	\$ 127.15
7480	SANTA BARBARA-LOMPOC	\$ 143.63	\$ 139.95
7485	SANTA CRUZ	\$ 145.18	\$ 141.60
7490	SANTA FE	\$ 134.00	\$ 129.64
7500	SANTA ROSA-PETALUMA	\$ 151.07	\$ 150.29
7510	SARASOTA	\$ 136.24	\$ 132.03
7520	SAVANNAH	\$ 133.91	\$ 129.53
7560	SCRANTON-WILKES BARRE	\$ 137.97	\$ 133.89
7600	SEATTLE	\$ 141.28	\$ 137.43
7610	SHARON	\$ 136.34	\$ 132.13
7620	SHEBOYGAN	\$ 133.45	\$ 129.04
7640	SHERMAN-DENISON	\$ 131.68	\$ 127.15
7680	SHREVEPORT	\$ 137.53	\$ 133.40
7720	SIOUX CITY	\$ 136.74	\$ 132.54
7760	SIOUX FALLS	\$ 134.83	\$ 130.52
7800	SOUTH BEND-MISHAWAKA	\$ 134.33	\$ 129.98
7840	SPOKANE	\$ 142.84	\$ 139.10
7880	SPRINGFIELD	\$ 141.70	\$ 137.87
7920	SPRINGFIELD	\$ 133.65	\$ 129.25
8003	SPRINGFIELD	\$ 137.69	\$ 133.56
8050	STATE COLLEGE	\$ 142.36	\$ 138.58
8080	STEUBENVILLE-WEIRTON	\$ 135.70	\$ 131.46
8120	STOCKTON	\$ 151.07	\$ 149.74
8160	SYRACUSE	\$ 145.92	\$ 144.28
8200	TACOMA	\$ 140.93	\$ 137.04
8240	TALLAHASSE	\$ 134.10	\$ 129.72
8280	TAMPA-ST PETERSBURG- CLEARWATER	\$ 136.54	\$ 132.34
8320	TERRE HAUTE	\$ 131.68	\$ 127.15
8360	TEXARKANA	\$ 139.96	\$ 136.00
8400	TOLEDO	\$ 145.45	\$ 141.88
8440	TOPEKA	\$ 140.27	\$ 136.36
8480	TRENTON	\$ 140.04	\$ 136.07
8520	TUCSON	\$ 138.34	\$ 134.26
8560	TULSA	\$ 137.61	\$ 133.47
8600	TUSCALOOSA	\$ 138.18	\$ 134.10
8640	TYLER	\$ 136.43	\$ 132.22
8680	UTICA-ROME	\$ 134.62	\$ 130.29
8720	VALLEJO-FAIRFIELD-NAPA	\$ 151.07	\$ 150.90
8725	VANCOUVER	\$ 143.61	\$ 139.90
8750	VICTORIA	\$ 131.68	\$ 127.15
8760	VINELAND-MILLVILLE-BRIDGETON	\$ 136.75	\$ 132.55
8780	VISALIA-PORTERVILLE	\$ 146.60	\$ 145.01
8800	WACO	\$ 131.93	\$ 127.41
8840	WASHINGTON	\$ 146.31	\$ 142.81
8920	WATERLOO-CEDAR FALLS	\$ 133.68	\$ 129.28
8940	WAUSAU	\$ 135.12	\$ 130.83
8960	WEST PALM & DELRAY BEACH	\$ 136.09	\$ 131.87
9000	WHEELING	\$ 136.08	\$ 131.86
9040	WICHITA	\$ 141.08	\$ 137.22
9080	WICHITA FALLS	\$ 131.68	\$ 127.15
9140	WILLIAMSPORT	\$ 134.44	\$ 130.11
9160	WILMINGTON	\$ 141.12	\$ 137.26
9200	WILMINGTON	\$ 132.89	\$ 128.43
9243	WORCESTER-LEOMINSTER	\$ 136.70	\$ 132.51

9260	YAKIMA	\$ 136.51	\$ 132.31
9280	YORK	\$ 136.72	\$ 132.53
9320	YOUNGSTOWN-WARREN	\$ 141.68	\$ 137.85
9340	YUBA CITY	\$ 141.44	\$ 137.59

### **30.5.1 - New ESRD Composite Payment Rates**

*(Rev. 67, Issued: 03-09-07, Effective: 04-01-07, Implementation: 04-02-07)*

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.

*For dialysis services furnished on or after January 1, 2007 through March 31, 2007, the drug add-on **inflation adjustment** to the composite payment rate is 0.5 percent. As a result, the drug add-on adjustment to the composite payment rate for 2007 will increase from 14.5 percent to 15.1 percent (1.145 x 1.005).*

*On December 20, 2006, the Tax Relief and Health Care Act (TRHCA) of 2006 was enacted. The TRHCA increased the amount of the composite rate component of the basic case-mix adjusted system by 1.6 percent for dialysis services furnished on or after April 1, 2007. As a result, beginning April 1, 2007, using the updated composite payment rates, the updated drug add-on adjustment is 14.3 percent. The inflation adjustment of 0.5 percent is unchanged. Therefore, the total drug add-on adjustment for services furnished on or after April 1, 2007 is 14.9 percent.*