

**PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES; PROSPECTIVELY DETERMINED PAYMENT RATES FOR SKILLED NURSING FACILITIES; PAYMENT FOR ACUTE KIDNEY INJURY DIALYSIS**

**Subpart A—Introduction and General Rules**

Sec.

- 413.1 Introduction.
- 413.5 Cost reimbursement: General.
- 413.9 Cost related to patient care.
- 413.13 Amount of payment if customary charges for services furnished are less than reasonable costs.
- 413.17 Cost to related organizations.

**Subpart B—Accounting Records and Reports**

- 413.20 Financial data and reports.
- 413.24 Adequate cost data and cost finding.

**Subpart C—Limits on Cost Reimbursement**

- 413.30 Limitations on payable costs.
- 413.35 Limitations on coverage of costs: Charges to beneficiaries if cost limits are applied to services.
- 413.40 Ceiling on the rate of increase in hospital inpatient costs.

**Subpart D—Apportionment**

- 413.50 Apportionment of allowable costs.
- 413.53 Determination of cost of services to beneficiaries.
- 413.56 [Reserved]

**Subpart E—Payments to Providers**

- 413.60 Payments to providers: General.
- 413.64 Payments to providers: Specific rules.
- 413.65 Requirements for a determination that a facility or an organization has provider-based status.
- 413.70 Payment for services of a CAH.
- 413.74 Payment to a foreign hospital.

**Subpart F—Specific Categories of Costs**

- 413.75 Direct GME payments: General requirements.
- 413.76 Direct GME payments: Calculation of payments for GME costs.
- 413.77 Direct GME payments: Determination of per resident amounts.
- 413.78 Direct GME payments: Determination of the total number of FTE residents.
- 413.79 Direct GME payments: Determination of the weighted number of FTE residents.

- 413.80 Direct GME payments: Determination of weighting factors for foreign medical graduates.
- 413.81 Direct GME payments: Application of community support and redistribution of costs in determining FTE resident counts.
- 413.82 Direct GME payments: Special rules for States that formerly had a waiver from Medicare reimbursement principles.
- 413.83 Direct GME payments: Adjustment of a hospital's target amount or prospective payment hospital-specific rate.
- 413.85 Cost of approved nursing and allied health education activities.
- 413.87 Payments for Medicare + Choice nursing and allied health education programs.
- 413.88 Incentive payments under plans for voluntary reduction in number of medical residents.
- 413.89 Bad debts, charity, and courtesy allowances.
- 413.90 Research costs.
- 413.92 Costs of surety bonds.
- 413.94 Value of services of nonpaid workers.
- 413.98 Purchase discounts and allowances, and refunds of expenses.
- 413.99 Qualified and Non-Qualified Deferred Compensation Plans.
- 413.100 Special treatment of certain accrued costs.
- 413.102 Compensation of owners.
- 413.106 Reasonable cost of physical and other therapy services furnished under arrangements.
- 413.114 Payment for posthospital SNF care furnished by a swing-bed hospital.
- 413.118 Payment for facility services related to covered ASC surgical procedures performed in hospitals on an outpatient basis.
- 413.122 Payment for hospital outpatient radiology services and other diagnostic procedures.
- 413.123 Payment for screening mammography performed by hospitals on an outpatient basis.
- 413.124 Reduction to hospital outpatient operating costs.
- 413.125 Payment for home health agency services.

**Subpart G—Capital-Related Costs**

- 413.130 Introduction to capital-related costs.
- 413.134 Depreciation: Allowance for depreciation based on asset costs.
- 413.139 Depreciation: Optional allowance for depreciation based on a percentage of operating costs.
- 413.144 Depreciation: Allowance for depreciation on fully depreciated or partially depreciated assets.

- 413.149 Depreciation: Allowance for depreciation on assets financed with Federal or public funds.
- 413.153 Interest expense.
- 413.157 Return on equity capital of proprietary providers.

#### **Subpart H—Payment for End-Stage Renal Disease (ESRD) Services**

- 413.170 Scope.
- 413.171 Definitions.
- 413.172 Principles of prospective payment.
- 413.174 Prospective rates for hospital-based and independent ESRD facilities.
- 413.176 Amount of payments.
- 413.177 Quality incentive program payment.
- 413.178 ESRD quality incentive program.
- 413.180 Procedures for requesting exceptions to payment rates.
- 413.182 Criteria for approval of exception requests.
- 413.184 Payment exception: Pediatric patient mix.
- 413.186 Payment exception: Self-dialysis training costs.
- 413.194 Appeals.
- 413.195 Limitation on review.
- 413.196 Notification of changes in rate-setting methodologies and payment rates.
- 413.198 Recordkeeping and cost reporting requirements for outpatient maintenance dialysis.
- 413.200 [Reserved]
- 413.202 Organ procurement organization (OPO) cost for kidneys sent to foreign countries or transplanted in patients other than Medicare beneficiaries.
- 413.203 Transplant center costs for organs sent to foreign countries or transplanted in patients other than Medicare beneficiaries.
- 413.210 Conditions for payment under the end-stage renal disease (ESRD) prospective payment system.
- 413.215 Basis of payment.
- 413.217 Items and services included in the ESRD prospective payment system.
- 413.220 Methodology for calculating the per-treatment base rate under the ESRD prospective payment system effective January 1, 2011.
- 413.230 Determining the per treatment payment amount.
- 413.231 Adjustment for wages.
- 413.232 Low-volume adjustment.
- 413.233 Rural facility adjustment.
- 413.234 Drug designation process.
- 413.235 Patient-level adjustments.
- 413.236 Transitional add-on payment adjustment for new and innovative equipment and supplies.
- 413.237 Outliers.
- 413.239 Transition period.

- 413.241 Pharmacy arrangements.

#### **Subpart I—Prospectively Determined Payment Rates for Low-Volume Skilled Nursing Facilities, for Cost Reporting Periods Beginning Prior to July 1, 1998**

- 413.300 Basis and scope.
- 413.302 Definitions.
- 413.304 Eligibility for prospectively determined payment rates.
- 413.308 Rules governing election of prospectively determined payment rates.
- 413.310 Basis of payment.
- 413.312 Methodology for calculating rates.
- 413.314 Determining payment amounts: Routine per diem rate.
- 413.316 Determining payment amounts: Ancillary services.
- 413.320 Publication of prospectively determined payment rates or amounts.
- 413.321 Simplified cost reports for SNFs.

#### **Subpart J—Prospective Payment for Skilled Nursing Facilities**

- 413.330 Basis and scope.
- 413.333 Definitions.
- 413.335 Basis of payment.
- 413.337 Methodology for calculating the prospective payment rates.
- 413.338 Skilled nursing facility value-based purchasing program.
- 413.340 Transition period.
- 413.343 Resident assessment data.
- 413.345 Publication of Federal prospective payment rates.
- 413.348 Limitation on review.
- 413.350 Periodic interim payments for skilled nursing facilities receiving payment under the skilled nursing facility prospective payment system for Part A services.
- 413.355 Additional payment: QIO reimbursement for cost of sending records electronically or by photocopy and mailing.
- 413.360 Requirements under the Skilled Nursing Facility (SNF) Quality Reporting Program (QRP).

#### **Subpart K—Payment for Acute Kidney Injury (AKI) Dialysis**

- 413.370 Scope.
- 413.371 Definition.
- 413.372 AKI dialysis payment rate.
- 413.373 Other adjustments to the AKI dialysis payment rate.
- 413.374 Renal dialysis services included in the AKI dialysis payment rate.

## § 413.1

## 42 CFR Ch. IV (10–1–24 Edition)

413.375 Notification of changes in rate-setting methodologies and payment rates.

### **Subpart L—Payment of Organ Acquisition Costs for Transplant Hospitals, Organ Procurement Organizations, and Histocompatibility Laboratories**

- 413.400 Definitions.
- 413.402 Organ acquisition costs.
- 413.404 Standard acquisition charge.
- 413.406 Acquisition of pancreata for islet cell transplant.
- 413.408 [Reserved]
- 413.410 [Reserved]
- 413.412 Intent to transplant, intent for research, counting en bloc, and unusable organs.
- 413.414 Medicare secondary payer and organ acquisition costs.
- 413.416 Organ acquisition charges for kidney-paired exchanges.
- 413.418 Amounts billed to organ procurement organizations for hospital services provided to deceased donors and included as organ acquisition costs.
- 413.420 Payment to independent organ procurement organizations and histocompatibility laboratories for kidney acquisition costs.

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### **Subpart A—Introduction and General Rules**

#### **§ 413.1 Introduction.**

(a) *Basis, scope, and applicability—(1) Statutory basis—(i) Basic provisions.* (A) Section 1815 of the Act requires that the Secretary make interim payments to providers and periodically determine the amount that should be paid under Part A of Medicare to each provider for the services it furnishes.

(B) Section 1814(b) of the Act (for Part A) and section 1833(a) (for Part B) provide for payment on the basis of the lesser of a provider's reasonable costs or customary charges.

(C) Section 1861(v) of the Act defines “reasonable cost”.

(ii) *Additional provisions.* (A) Section 1138(b) of the Act specifies the conditions for Medicare payment for organ procurement costs.

(B) Section 1814(j) of the Act provides for exceptions to the “lower of costs or charges” provisions.

(C) Sections 1815(a) and 1833(e) of the Act provide the Secretary with authority to request information from providers to determine the amount of Medicare payment due providers.

(D) Section 1833(a)(4) and (i)(3) of the Act provide for payment of a blended amount for certain surgical services furnished in a hospital's outpatient department.

(E) Section 1833(n) of the Act provides for payment of a blended amount for outpatient hospital diagnostic procedures such as radiology.

(F) Section 1834(c)(1)(C) of the Act establishes the method for determining Medicare payment for screening mammograms performed by hospitals.

(G) Section 1834(g) of the Act provides that payment for critical access hospital (CAH) outpatient services is the reasonable costs of the CAH in providing these services, as determined in accordance with section 1861(v)(1)(A) of the Act and the applicable principles of cost reimbursement in this part and in part 415 of this chapter.

(H) Section 1881 of the Act authorizes payment for services furnished to ESRD patients.

(I) Section 1883 of the Act provides for payment for post-hospital SNF care furnished by a rural hospital that has swing-bed approval.

(J) Sections 1886(a) and (b) of the Act impose a ceiling on the rate of increase in hospital inpatient costs.

(K) Section 1886(h) of the Act provides for payment to a hospital for the services of interns and residents in approved teaching programs on the basis of a “per resident” amount.

(L) Section 1834(x) of the Act authorizes payment for services furnished by rural emergency hospitals (REHs) and establishes the payment methodology.

(2) *Scope.* This part sets forth regulations governing Medicare payment for services furnished to beneficiaries by—

(i) Hospitals, critical access hospitals (CAHs), and rural emergency hospitals (REHs);

(ii) Skilled nursing facilities (SNFs);

(iii) Home health agencies (HHAs);

(iv) End-stage renal disease (ESRD) facilities;