Medtech Insight
Pharma Intelligence

08 Jul 2021 |

Proposed ESRD Reimbursement Changes Look To Improve Equity In Care For Patients With Chronic Kidney Disease

by Brian Bossetta

Changes to the mandatory payment model now used by the US Centers for Medicare & Medicaid Services (CMS) for kidney disease would encourage facilities to provide treatment to lower income patients.

The Biden Administration has unveiled a plan to help close the gap in the quality of health care some patients with End-Stage Renal Disease (ESRD) receive. ESRD is kidney disease that has progressed to the point at which either a transplant or dialysis is needed to survive.

In its *proposed rule* issued 1 July, the Centers for Medicare & Medicaid Services (CMS) would change the ESRD Prospective Payment System (PPS) rates and the ESRD Quality Incentive Program (QIP), while also modifying the ESRD Treatment Choices (ETC) model.

If enacted, these changes – which would go into effect 1 January – would offer incentive to dialysis providers to decrease disparities in rates of home dialysis and kidney transplants among ESRD patients of lower socioeconomic status, creating the agency's first CMS Innovation Center model to directly address health equity. The mission of the Innovation Center, which was created under the Affordable Care Act, is to support the development and testing of innovative health care payment and service delivery models.

The carrot CMS is using to encourage facilities to treat lower-income patients is a change in the ETC model's scoring methodology.

The current model rewards participating providers for positive outcomes in treating Medicare patients with either dialysis or transplants. The proposed change would broaden that by allowing the scoring to include patients that are eligible for Medicaid, as well as Medicare patients receiving low-income subsidy (LIS) assistance, which is extra coverage to help lower prescription

© Citeline 2023. All rights reserved.

drug costs. Under the “health equity incentive” CMS is proposing to add to the model, providers able to show positive outcomes in treatment for lower-income patients with either at-home dialysis or transplants would score higher, which would mean financial bonuses from the government.

> *“Social determinants of health impact not just who ends up with ESRD, but the quality of health care they are able to access.” – CMS*

At-home dialysis is more effective than dialysis at a facility because the frequency of treatment at home more closely mirrors how healthy kidneys function. Additionally, the longer the gaps between treatments, the more the patient suffers.

However, at-home treatment is difficult for many lower-income patients for many reasons, such as the increased costs for the electricity and water needed to run dialysis machines.

“Home dialysis offers significant clinical, socioeconomic, and quality of life advantages,” said Susan E. Quaggin, president of the American Society of Nephrology, in a 6 July *letter* to White House Office of Management and Budget. “Home patients are associated with better survival rates, better preservation of residual kidney function, and fewer low blood pressure episodes. Home dialysis also provides many patients with greater autonomy and flexibility over their care.”

Dialysis patients, Quaggin said, are often poorer and sicker than other Medicare beneficiaries and rely on federal and state subsidies and welfare programs, such as Medicaid. In 2018, ESRD beneficiaries made up about 1% of total Medicare enrollment and 2.5% of dual-eligible enrollment, according to Quaggin.

“Health equity is at the center of our work here at CMS,” CMS administrator Chiquita Brooks-LaSure said when the proposed rule was issued. “Today’s proposed rule is grounded in measures to ensure people with Medicare who suffer from chronic kidney disease have easy access to quality care and convenient treatment options.”

The American Association of Kidney Patients (AAKP), a non-profit patient advocacy group, said it was guardedly optimistic about the proposed rule. “However, CMS success in facilitating substantive change is directly tied to policy details, implementation, patient-driven performance metrics, and how officials plan to hold ESRD providers publicly and financially accountable

© Citeline 2023. All rights reserved.

through performance-based reimbursements," AAKP said. "We look forward to helping CMS match new policies to patient expectations by encouraging Commissioner Brooks-LaSure to modernize ESRD standards of coverage to include greater access to home dialysis."

CMS is also proposing to stratify achievement benchmarks by the proportion of patients eligible for both Medicare and Medicaid or LIS recipients so that participants with a high volume of ESRD patients do not suffer negative financial consequences as a result.

Together, these two proposals, according to CMS, "acknowledge that socioeconomic disparities in access to alternative renal replacement modalities exist and may impact the ability of ETC Participants to perform well in the ETC Model, while providing an incentive for all ETC Participants to reduce such disparities among their Medicare patients."

Innovative Kidney Care, a new patient advocacy campaign launched by nine healthcare organizations – the American Society of Nephrology (ASN), Anthem, Inc., Cricket Health, CVS Kidney Care, Home Dialyzors Untied (HDU), Intermountain Healthcare, the National Kidney Foundation (NKF), Outset Medical, Inc., and Strive Health – said it plans to push CMS to modernize ESRD conditions for coverage and related guidance to achieve better outcomes, improve patient and practitioner experience and lower costs of care.

The group is calling for CMS to remove barriers to home dialysis training and support so more patients can benefits of at-home care, expand home dialysis training and support, and cut red tape so clinicians can focus on caring for patients.

"The dialysis industry has long been stagnant when it comes to delivering innovation to patients. We now have new, patient-centered dialysis technologies, and healthcare providers who want to innovate care delivery, in order to enable more options for where and how self-dialysis can be trained and supported." – Tonya Saffer

---

"The dialysis industry has long been stagnant when it comes to delivering innovation to patients," said Tonya Saffer, spokesperson for Innovate Kidney Care. "We now have new, patient-centered dialysis technologies, and healthcare providers who want to innovate care delivery, in order to enable more options for where and how self-dialysis can be trained and

© Citeline 2023. All rights reserved.

supported."

Additionally, the CMS rule allocates $8.9bn to ESRD facilities for dialysis services in 2022. The base payment rate will be $255.55, according to the agency's *fact sheet*, an increase of $2.42 from the $253.13 rate for fiscal 2021. This will result in a 1.2% increase for all total payments. However, fees paid to hospital-based dialysis facilities will decrease by 1.3% while payments for free-standing facilities will see a 1.2% hike.

CMS also outlined a new base payment rate for providers that offer renal dialysis services to beneficiaries with acute kidney injury. The agency wants to make the payment rate the same as the base rate for ESRD of $255.55.

These changes are necessary, according to the CMS Office of Minority Health, because ESRD is more prevalent among lower-income Americans and among racial and ethnic minorities. These patients are also more likely to experience higher rates of hospital readmissions and costs and receive in-center dialysis because their kidneys are no longer able to function. Minorites and lower-income Americans are also less likely to receive pre-ESRD care, get a transplant or even get on a waiting list for one.

"Social determinants of health impact not just who ends up with ESRD, but the quality of health care they are able to access," CMS states. "Closing these health equity gaps would help address this devastating disease, provide better accessibility to care, and reduce costs to the U.S. healthcare system."

Black people, according to the National Kidney Foundation (NKF), are almost four times more likely than white people to have kidney failure, while Latinos are 1.3 times more likely. In total, some 37 million adults in the US have chronic kidney disease, including more than half a million living with kidney failure, with many unaware they even have it.

CMS is also giving facilities extra time to report data from September 2020 to December 2020 for QIP, which links payment to a facility based on its performance, because of the pandemic impact and is not evaluating data from the pandemic to evaluate ESRD facilities because that data is unreliable and could significantly throw off performance scores.

The agency is also accepting public comments on Transitional Add-on Payment Adjustment for New and Innovative Equipment and Supplies (TPNIES), for two ESRD-treatment devices, a home dialysis machine, the Tablo System from *Outset Medical* and the Peritoneal Dialysis Drain Set Monitoring System from *CloudCath*. CMS established TPNIES to facilitate beneficiary access to new and innovative renal dialysis equipment and supplies.

Comments on the proposed rule may be submitted to *Regulations.gov* until 31 August.

© Citeline 2023. All rights reserved.

© Citeline 2023. All rights reserved.