

Transforming Kidney Disease Care

Five New Payment Models announced under the Advancing Kidney Health Initiative

August 2019

The Department of Health and Human Services (HHS) and the Centers for Medicare & Medicaid Services (CMS) announced five new payment models as part of the Advancing American Kidney Health initiative. The initiative is the most significant so far and proposes the biggest changes to how the disease is treated since Medicare began covering end-stage renal disease (ESRD) in 1973.

3 Primary Goals for the Advancing American Kidney Health Initiative

- To reduce the number of Americans with ESRD by 25% by 2030
- For 80% of new ESRD patients to receive dialysis in home or receive a transplant by 2025
- To double the number of kidneys available for transplant by 2030

To facilitate meeting these goals, the U.S. Department of Health and Human Services (HHS) introduced the ESRD Treatment Choices (ETC) model, which is a *mandatory* model, as well as the *optional* Kidney Care First (KCF) model and Comprehensive Kidney Care Contracting (CKCC).

Pulse8 Insight: *The new payment models are designed to fulfill the Triple Aim of **improving care** in the early stages of kidney disease, **increasing access** to transplants, and **curtailing the increasing costs** associated with chronic kidney disease (CKD) and ESRD care. These models will also favor home dialysis to better improve outcomes and the quality of care.*

These models help providers to be more proactive in administering care and containing the cost of care, and Pulse8's Calcul8™ solution can help maintain the contract terms as well as identify opportunities for improvement.

Model Overview

ESRD Treatment Choices (ETC)	
Overview	This is a mandatory program that encourages greater use of home dialysis and kidney transplants for Medicare beneficiaries with ESRD.
Who is eligible to participate	<ul style="list-style-type: none"> • ESRD facilities and clinicians managing beneficiaries with ESRD • Randomly selected participants by CMS according to their regionally-stratified geographic areas. This will account for approximately 50% of adults with ESRD in all 50 states.
Payment Adjustments	<ul style="list-style-type: none"> • Uniformly positive adjustment on Medicare claims for home dialysis and home dialysis-related services in the initial three years of the model. • Payment adjustments to the adjusted ESRD Prospective Payment per treatment base rate to selected facilities. • Monthly capitation payment to selected clinicians based on their home dialysis and kidney transplants. • Risk adjustments to account for providers treating sicker patients.

Courtesy of Pulse8 – Your ONLY Partner for Risk Adjustment, Quality, and Pharmacy Program Management.

For more information, please visit www.Pulse8.com or call (410) 928-4218.

Timeline	Payments apply to applicable claims with a date of service between 1/1/2020 and 6/30/2026.
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Kidney Care First (KCF) & Comprehensive Kidney Care Contracting (CKCC)	
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Overview	<p>These are voluntary programs whose models build upon the existing Comprehensive ESRD Care (CEC) model structure. The CKCC model has three options; Graduated, Professional, and Global. The design draws from the recently announced Primary Care First and Direct Contracting models.</p> <p>Stronger financial incentives were added for providers that manage care for beneficiaries with CKD stages 4 or 5 and/or those with ESRD.</p> <p>The KCF, along with the CKCC Professional and Global models, is expected to qualify as advanced alternative payment models (APMs) beginning in 2021.</p>
Who is eligible to participate	<p><u>KCF</u></p> <ul style="list-style-type: none"> Nephrology practices and Nephrologists only. <p><u>CKCC</u></p> <ul style="list-style-type: none"> Required participants are Nephrologists, nephrology practices, and transplant providers. Optional participants include dialysis facilities and other providers and suppliers.
Payment Adjustments	<p><u>KCF</u></p> <ul style="list-style-type: none"> Adjusted capitated payment for managing care of aligned beneficiaries with CKD stages 4 or 5 and/or those on dialysis. Adjusted on the basis of health outcomes and utilization compared to both the participant’s own experience and national standards. Performance on quality measures. Bonus payment for every aligned beneficiary that receives a kidney transplant paid over time. <p><u>CKCC</u></p> <ul style="list-style-type: none"> Adjusted capitated payment for managing care of aligned beneficiaries with CKD stages 4 or 5 and/or those on dialysis. Bonus payment for every aligned beneficiary that receives a kidney transplant paid over time. <ul style="list-style-type: none"> <i>CKCC Graduated</i> One-sided risk track: Participants can begin under a lower reward model and incrementally increase the risk and reward. <i>CKCC Professional</i> Two-sided risk: 50% shared savings or liable for 50% shared losses, based on total cost of care for Part A and Part B services. <i>CKCC Global</i> Two-sided risk: 100% shared savings or liable for 100% shared losses, based on total cost of care for all Parts A and B services.
Timeline	<p>Apply in the fall of 2019</p> <p>Model participation will run 1/1/2020 – 12/31/2023</p>

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	Financial accountability will not begin until 2021 [REPHRASED] The application process will begin the fall of 2019. Participation will begin 1/1/2020 through 12/31/2023; however, financial accountability won't begin until 2021.
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CKD causes more deaths than breast cancer or prostate cancer and effects approximately 37 million people in the United States. An estimated 661,000 people have kidney failure (ESRD) of which roughly 71% are on dialysis and 29% live with a functioning kidney transplant. [R] A 2018 Annual Data Report from the United States Renal Data System showed that Medicare spending for beneficiaries with CKD exceeded \$79 billion in 2016, which was an increase of 23% from 2015. There was an additional \$35 billion spent for ESRD costs lifting the combined total to \$114 billion, which represents 23% of the total Medicare fee-for-service (FFS) spending. [R]

Pulse8 Insight: *Transplantation improves outcomes and reduces costs; however, it is only over time that those savings are realized. Initially the costs are taken on by the transplant center. These new models help to mitigate any profit erosion from those providers that previously bore the cost.*

In-home dialysis reduces costs by not requiring nursing assistance, eliminating the expenses associated with traveling to a dialysis center, and potentially limiting the number of medications. These cost-saving opportunities can improve outcomes by avoiding the “killer-gap”; a two-day wait between clinic sessions that so often leads to increased hospitalization and death. Studies have shown that advantages of in-home dialysis hold up even among high-risk patients with comorbidities by reducing the need for blood pressure medication, being gentler on the body including the heart, improving quality of sleep and reducing symptoms of depression.

There are many benefits to incentivizing transplantation and in-home dialysis; however, adoption in the U.S. has been low. These new models offer new and more attractive financial incentives to try to encourage providers to promote better adoption.

Pulse8’s Calcul8™ solution can help to identify the impact and costs associated with delivering care to beneficiaries with CKD and ESRD. Pulse8’s analytics will provide actionable insights into your network’s utilization and availability in order to determine if you would benefit from participating in one of the new Kidney Care models and, then, the analytics needed to measure and manage the success of instituting one of these new programs.