2014 ESRD PROPOSED RULE: KEY COMPONENTS

On Monday, July 1, Centers for Medicare and Medicaid Services (CMS) released this year's proposed rule regarding the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS) and Quality Incentive Program (QIP). ASN is assessing the effects that CMS' proposals could have on patients on dialysis. Foremost among ASN's concerns is the preservation of equitable patient access to optimal quality dialysis care and related services regardless of socioeconomic status, geographic location, or demographic characteristics.

Key Proposed Changes to the Bundled Payment

CMS proposes a 12 percent cut to the ESRD program's base rate payment. ASN is concerned that this proposal could have serious negative effects on patients on dialysis. The society's analysis and comments to CMS will focus on the effects consequences these significant proposed cuts could have on patient access and quality of care.

Congress mandated in the January 1, 2013 American Taxpayer Relief Act (ATRA) that CMS reassess the base rate by comparing changes in drug utilization since the base rate was established in 2007. ATRA requires CMS to reduce the ESRD PPS base rate to reflect estimates of changes in utilization of ESRD-related drugs and biologics by comparing per-patient utilization data from 2007 with such data from 2012.

Together with the annual market basket update—which proposes to increase the base rate payment by 2.4 percent—CMS's proposal would amount to a net 9.4 percent cut. That 9.4 percent reduction would equate to a $29.52 reduction from what the 2014 base rate would have otherwise been without the payment adjustment mandated by ATRA.

For CY 2014, CMS proposes a base rate payment of $216.47. This includes:

- An update of 2.5 percent (which is the increase in the ESRD market basket of 2.9 percent minus the 0.4 percent, estimated multi-factor productivity adjustment for CY 2014)
- Application of a wage index budget-neutrality
- A 12 percent reduction attributable to the change in utilization of ESRD-related drugs and biologics

CMS acknowledges that a 12 percent reduction in Medicare payments is significant and could potentially impact beneficiary access to care. The agency solicits comments on the possibility of a phase-in period of the 12 percent reduction as well as on the methodology in general.

Proposed Changes to the Home Dialysis

CMS reiterates the scope of training services that ESRD facilities must provide home dialysis patients as part of the Conditions for Coverage. However, CMS did not propose any increases in payment for home dialysis training.

ASN is reviewing the home dialysis-related proposals and will advocate that any changes to the program will make home dialysis available to as many appropriate candidates as possible.

- CMS acknowledges that the ESRD PPS base rate alone does not account for staffing costs associated with training patients for home dialysis. CMS will continue to compensate $33.44 per treatment when a nurse provides one-on-one training for either hemodialysis or peritoneal dialysis, stating it believes this amount is adequate.

- CMS also requests comments on the costs associated with supplying home dialysis training and the elements of peritoneal versus home hemodialysis training. CMS is considering a potential "holdback" policy, whereby a portion of the training payments would be withheld from the ESRD facility until the patient demonstrates that they have successfully transitioned to a home regimen.

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2014 ESRD PROPOSED RULE: KEY COMPONENTS *CONTINUED*

Key Proposed Changes to the ESRD Quality Incentive Program:

The rule proposes changes to the ESRD QIP, which sets minimally acceptable patient outcome standards and mandates reporting on certain aspects of care. Under the QIP, facilities that do not meet the QIP's standards for quality measures receive a payment reduction of up to two percent.

ASN will conduct a thorough review of the proposed QIP measures and methodology modifications, advocating for measures that will meaningfully improve care from a patient perspective and that are grounded in rigorous scientific evidence.

The CMS rule proposes to adopt five new clinical and reporting measures, continue using six existing measures, revise two existing reporting measures, and expand one existing reporting measure currently included in the ESRD QIP.

For the PY 2016, CMS has proposed a total of 14 measures—9 clinical measures and 5 reporting measures.

- Clinical measures assess the quality of care provided to individual patients using facility performance on established indicators.
- Reporting measures gauge whether a facility has reported quality-of-care data in order to show an effort to improvement care.

The Agency proposed to continue using six performance measures that were adopted previously for the PY 2016 ESRD QIP, tfor the PY 2016 ESRD QIP inclining:

- Anemia Management
- Hemodialysis Adequacy
- Peritoneal Dialysis Adequacy
- Pediatric Hemodialysis Adequacy
- Vascular Access Type: Arterial Venous
- Vascular Access Type: Catheter ≥ 90 days

For the PY 2016 ESRD QIP, CMS proposes to establish CY 2014 as the performance period for all of the measures. It also proposes to establish performance standards for each measure, and to adopt scoring and payment reduction practices that are similar to those finalized for the PY 2014 and PY 2015 ESRD QIP.

Foremost among ASN's goals is continuous improvement in the quality, efficiency, and accessibility of patient care. ASN is preparing comments to CMS to address all these concerns and advocate for higher quality care for patients with kidney disease, and will continue to update members with new information.