Launch of the Advancing American Kidney Health Initiative and Proposed Payment Models as a Possible Mechanism to Improve Kidney Care
July 18, 2019

I. Overview of the Advancing American Kidney Health Initiative

On July 10, 2019, the Trump administration took a series of actions to advance kidney care in the United States. This included releasing a report, *Advancing American Kidney Health,* and signing an Executive Order of the same name. The Executive Order (EO) states that it is the policy of the United States to

- prevent kidney failure through better diagnosis, treatment, and incentives for preventative care,
- increase patient choice of treatments for kidney failure,
- encourage the development of the artificial kidney, and,
- increase access to kidney transplants.

In the *Advancing American Kidney Health* report, the Department of Health and Human Services (HHS) sets three broad goals for delivering on this policy:

1. Reduce the number of Americans developing End Stage Renal Disease (ESRD) by 25% by 2030 through improved efforts to prevent, detect, and slow the progression of kidney disease.
2. Aim for 80% of new ESRD patients to receive dialysis at home or receive a transplant by 2025.
3. Aim to double the number of kidneys available for transplant by 2030.

Advancing American Kidney Health offers a detailed roadmap for how HHS will work toward achieving these goals. The Executive Order lays out timelines for actions that the federal government will take to achieve the goal of transforming how kidney disease is prevented and treated. These include:

- launching a kidney disease awareness initiative within 120 days,
- taking steps to promote the development of a wearable or implantable artificial kidney within 120 days,
- proposing new regulations for the oversight of Organ Procurement Organizations (OPOs) within 90 days,
- streamlining the process of kidney matching to reduce discards within 180 days, and,
- proposing new regulations to remove barriers to living organ donation within 90 days.

NKF had significant influence over the policies announced on July 10 in *Advancing American Kidney Health* and in the Executive Order as demonstrated by the alignment of the initiative with NKF's public policy priorities in areas of improving kidney disease awareness, promoting early detection to slow progression, reducing the demand of dialysis, ensuring that patients can choose the treatment modality that best suits their preferences, and maximizing the use of donated kidneys including less than perfect kidneys. In the section of *Advancing American Kidney Health* on increasing access to kidney transplants, HHS notes that HRSA, through OPTN, is following recommendations from the National Kidney Foundation Consensus Conference to Decrease Kidney Discards as it develops and tests a proof of concept for expediting allocation of kidneys at high risk for discard with safety monitoring.

Among the kidney care policies announced by the administration on July 10th were five new payment models that will create financial incentives for dialysis facilities, nephrologists, and other healthcare providers to improve how they manage chronic kidney disease (CKD) and end-stage renal disease (ESRD) in Medicare patients. A payment model is a way of tying the payment that healthcare providers receive to the value of the care they provide. The intent of payment models is to provide better care that's less expensive. The new kidney care payment models are intended to achieve higher rates of home dialysis and transplantation, while also encouraging healthcare providers to meet other objectives that are important to patients, like improving care coordination and delaying the start of dialysis.

Four of the models are voluntary, meaning that clinicians have the option of participating or not. These four models provide financial incentives to provide better care for CKD 4 and 5 patients before they progress to ESRD and promote greater utilization of transplants. The fifth model, the ESRD Treatment Choices (ETC) model, is mandatory for dialysis facilities and clinicians located in half of the country. The ETC model works by paying more or less to selected dialysis facilities and clinicians depending on how well they meet the goals of the model to increase the number of patients receiving home dialysis or a transplant (both kidney and kidney-pancreas). More details on the payment models are available below in section II: *New Kidney Care Payment Models*.

Next Steps

The National Kidney Foundation (NKF) has long advocated for changes to the Medicare program that would help ensure that ESRD patients can access the full range of treatment options for kidney failure, including kidney transplant, which is the preferred option for most patients. NKF will be carefully evaluating the details of the payment models to ensure that patients receive the quality of care and treatment choice they desire. We will share our feedback with CMS, but first we want to hear from you. Please email tonya.saffer@kidney.org with your questions and thoughts.

II. New Kidney Care Payment Models

Optional Kidney Care Models

CMS will release additional information on the four voluntary kidney care models soon. The four optional models are aimed at different types and groups of healthcare providers who may be interested in exploring creative solutions to providing high-quality care to CKD stage 4 and 5 Medicare patients and ESRD patients on dialysis. All four of the optional models link payments to patient health outcomes and would provide bonus payments for patients who are successfully transplanted, with the payment paid out over several years to ensure the providers continue to invest in transplant patients' health post-transplant. The voluntary models also expand the Kidney Disease Education (KDE) benefit to stage 5 patients and certain patients with ESRD and would expand the types of providers who are able to furnish it.

The first of the voluntary models, the Kidney Care First (KCF) model, is open to nephrologists and nephrology practices only. In the additional three optional models, known as Comprehensive Kidney Care Contracting (CKCC) models, a group of providers join to form a Kidney Contracting Entity (KCE). KCEs participating in the CKCC models must include nephrologists or nephrology practices and transplant providers. Dialysis facilities and other providers and suppliers are optional. In the CKCC models, KCEs accept responsibility for the total cost and quality of the care their patients receive. If KCEs can achieve lower costs while maintaining quality, they can receive a portion of the Medicare savings.

The ESRD Treatment Choices (ETC) Mandatory Model

The ETC model adjusts payments upwards or downwards for some dialysis facilities and healthcare providers, known as "Managing Clinicians" or MCs, depending on their home dialysis rate and transplant rate performance. An MC is typically a nephrology clinician who bills Medicare for their patients who receive dialysis. These payment adjustments will start in 2020 and go through mid-2026. Importantly, the payment adjustments won't affect what Medicare patients pay for coinsurance.

The model would randomly assign dialysis facilities and MCs, based on the region of the country they practice in, to participate in the model with the aim to include about 50% of adult Medicare patients across the country. If you're an adult Medicare patient (meaning you are over age 18) with ESRD, you might be wondering how you'll know if your providers have been assigned to participate. Dialysis facilities and MCs who are participating would have to post information about the model, so patients know their providers have been assigned to it. However, patients would not be able to opt out of the model (unless they choose a provider in another region of the country that was not assigned to the model).

The ETC model would also expand the Kidney Disease Education (KDE) benefit to model participants, who would receive waivers allowing KDE to be billed for stage 4 and 5 patients and those within their first 6 months of dialysis. Additional healthcare professionals, beyond physicians and advanced practitioners, would be able to deliver and bill for the benefit, but dialysis facilities would still not be able to bill for KDE. Patients would still have a co-insurance for KDE.

As for the payment adjustments themselves: there are two. For dialysis facilities, the adjustments apply what Medicare pays for each ESRD patient receiving dialysis. For MCs, the adjustment applies to the monthly flat rate that Medicare pays providers for the care of ESRD patients (known as the Monthly Capitated Payment – or MCP).

The first payment adjustment is known as the Home Dialysis Payment Adjustment (HDPA). It simply increases the amount that dialysis facilities and MCs are paid for home dialysis and services related to home dialysis in order to incentivize their use over in-center dialysis. The HDPA starts as a 3% payment increase in the first year of the model, 2020, and declines over time as dialysis facilities and MCs learn how to best support patients who want to choose home dialysis.

The second adjustment is known as the Performance Payment Adjustment (PPA). Unlike the HDPA, which is a positive payment adjustment, the PPA includes penalties for dialysis facilities and MCs who aren't successful in meeting Medicare determined goals for the number of patients receiving home dialysis or kidney transplants. Conversely, dialysis facilities and MCs who do improve their home dialysis and transplant rates get rewarded with higher payments over time. The positive and negative payment increase year-over-year to give dialysis facilities and MCs time to adjust their ways of working to prioritize home dialysis and transplant over in-center dialysis.

The ETC model will go for six years until mid-2026. The Centers for Medicare & Medicaid Services (CMS) will evaluate the model to understand whether it has had the desired impact, namely whether it has resulted in higher rates of home dialysis and transplant, improved clinical outcomes, and reduced costs. CMS can extend the models to a broader population of kidney patients in the future if the agency believes the new payment arrangements are successful.


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