ACCOUNTABLE CARE ORGANIZATION PILOT

Goal:
To establish an integrated care pilot project for Medicare End Stage Renal Disease (ESRD) beneficiaries to examine the impact of enhanced care coordination and savings to Medicare.

Why:
Diabetes and heart disease are the two main health factors leading to kidney failure. In fact, over 60 percent of Medicare beneficiaries with ESRD, who need dialysis or a kidney transplant to survive, also suffer from diabetes, hypertension and other cardiovascular diseases. Despite constituting only 1% of the Medicare population, ESRD patients are responsible for 6.4% of Medicare expenditures.

Often, these ESRD patients have different health care teams to manage each disease condition. In addition, the average dialysis patient is hospitalized 14 days per year and takes 8 prescription drugs a day. As a result, their health condition is complicated, but their care is very fragmented.

Dialysis patients are barred from joining managed care plans and from participating in Medicare Medical Home demonstration projects. We propose expanding the concept of an Accountable Care Organization as an integrated care model for Medicare ESRD patients.

Accountable Care Organizations are groups of providers that accept joint responsibility for patient care in Original Medicare, either as physician group practices or hospital/physician joint ventures. The Accountable Care Organization would provide integrated care delivery for dialysis patients to take full advantage of enhanced care coordination. Patients’ coverage, benefits, cost-sharing, and choice of providers would not change.

The dialysis clinic would be an ideal “medical home” since ESRD patients receive care at these facilities 3 times per week, 12 months of the year. Interdisciplinary care teams in the dialysis facility can improve quality, prevent complications, and keep patients out of the hospital, especially when the patient and family caregivers are engaged in developing and maintaining the care plans. These techniques have been shown to reduce hospital admissions by 6%, readmissions by 40%, and hospital days by 39%. Accountable Care Organizations should share in these savings to support the integrated care model.

What:
Congress should authorize an integrated care pilot for Medicare ESRD patients, designed to examine the impact of enhanced care coordination among providers and health care professionals, including incentive payments for quality improvements and shared savings incurred through reductions in Medicare Part A hospitalizations that result from better care coordination.