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## President Orders Kidney Care Revamp, CMS Proposes Payment Models

On July 10, President Trump signed “Executive Order on Advancing American Kidney Health,” reforming care for kidney disease. The goals of the executive order are to provide care before dialysis is needed and to increase transplants and home dialysis.

As the president was signing the executive order, the Centers for Medicare & Medicaid Services (CMS) rolled out five proposed payment models for kidney care.

### The Executive Order

*Section 2 of the order states three broad policies:*

- Prevent kidney failure through better diagnosis, treatment and incentives for preventive care.
- Increase patient choice through affordable alternative treatments for end-stage renal disease by encouraging higher-value care, educating patients on treatment alternatives and encouraging the development of artificial kidneys.
- Increase access to kidney transplants by modernizing the organ recovery and transplantation systems.

*Section 3 requires an initiative to support awareness and research.* Specifically, the Department of Health and Human Services (HHS) must launch within 120 days of the order an awareness initiative that includes proposals for accomplishing these goals:

- Support research regarding preventing, treating and slowing progression of kidney disease; to improve kidney transplantation.
- Share information with patients and providers to enhance awareness of the causes and consequences of kidney disease.

*Sections 4 and 5 relate to payment models.* Within 30 days of the order, HHS must select a payment model to test innovations in compensation for providers of kidney-care services, based on patient cost and quality outcomes. The model should broaden the range of care and Medicare payment options available to potential participants with a focus on delaying or preventing the onset of kidney failure, preventing hospitalizations and increasing the rate of transplants.

Also within 30 days from the signing of the order, HHS shall select a payment model to evaluate the effects of creating payment incentives for greater use of home dialysis and kidney transplants for Medicare beneficiaries on dialysis. The model should adjust payments based on the percentage of a participating provider's attributed patients who are on home dialysis or have received a kidney transplant, and should include a learning system to help participants improve performance.

*Section 6 concerns artificial kidneys.* Within 120 days, the HHS shall announce the following:

- HHS will consider requests for premarket approval of wearable or implantable artificial kidneys.

- HHS will produce a strategy for encouraging innovation in new therapies through the Kidney Innovation Accelerator, a public private partnership between HHS and the American Society of Nephrology.

*Section 7 requires changes related to deceased donation.*

- Within 90 days, HHS will propose a regulation to enhance the procurement and utilization of organs available through deceased donation, by revising the Organ Procurement Organization rules and evaluation metrics to establish more transparent, reliable and enforceable objective metrics for evaluating an organ-procurement organization's performance.
- Within 180, HHS will "streamline and expedite" the process of kidney matching and delivery to reduce the discard rate.

*Section 8 concerns financial barriers to living organ donation.*

- Within 90 days, HHS must propose a regulation to remove financial barriers to living organ donation. The executive order requires the regulation to expand the allowable costs that can be reimbursed under the definition of Reimbursement of Travel and Subsistence Expenses to include those incurred toward living organ donation. The regulation should raise the limit on the income of donors eligible for reimbursement under the program, allow reimbursement for lost-wage expenses and provide for reimbursement of childcare and elder-care expenses.

## **CMS Announcement of Kidney Care Payment Models**

On July 10, CMS announced five new proposed payment models.

### *The End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model*

The proposed ETC Model would apply to related Medicare claims from Jan. 1, 2020, through June 30, 2026. The proposed ETC Model would be a mandatory payment model focused on encouraging greater use of home dialysis and kidney transplants, in order to preserve or enhance the quality of care furnished to Medicare beneficiaries while reducing Medicare expenditures. CMS' proposal for the ETC Model is included in the Medicare [proposed rule for Specialty Care Models to Improve Quality of Care and Reduce Expenditures](#).

The model would require certain Medicare payment adjustments for selected ESRD facilities and managing clinicians. In this model, a managing clinician would be a Medicare-enrolled physician or non-physician practitioner who furnishes and bills a monthly capitation payment for managing one or more adult ESRD beneficiaries. Payment to ESRD facilities and managing clinicians not selected to participate in the model would not be affected.

*CMS also announced four other models for which regulations must be proposed:*

- Kidney Care First (KCF) Model
- Comprehensive Kidney Care Contracting (CKCC) Graduated Model
- Comprehensive Kidney Care Contracting (CKCC) Professional Model
- Comprehensive Kidney Care Contracting (CKCC) Global Model

In each of these four models, a single set of kidney-care providers will be responsible for a patient's kidney care from the late stage of chronic kidney disease (CKD) through dialysis and post-transplant care.

The models are expected to run from Jan. 1, 2020, through Dec. 31, 2023, with the option for one or two additional performance years at CMS' discretion. Interested healthcare providers will apply to participate in the fall of 2019, and if selected, begin model participation in 2020. However, financial accountability will not begin until 2021. During 2020, model participants will focus on building necessary care relationships and infrastructure.

In the KCF Model, participating nephrologists and nephrology practices will receive adjusted capitated payments for managing care of beneficiaries with CKD Stages 4 or 5 and for those on dialysis. The payments will be adjusted on the basis of health outcomes and utilization, compared to both the participants' own experience and national standards, and on performance on quality measures. Bonus payments will be made for every aligned beneficiary who receives a kidney transplant.

The CKCC models will have three distinct accountability frameworks:

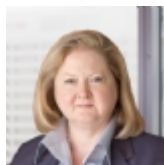
- The CKCC Graduated Model is based on the existing Comprehensive End-Stage Renal Disease Care Model One-Sided Risk Track — allowing certain participants to

begin under a lower-reward one-sided model and incrementally phase in to greater risk and greater potential reward.

- Payments under the CKCC Professional Model are based on the Professional Population-Based Payment option of the Direct Contracting Model, with an opportunity to earn 50 percent of shared savings or be liable for 50 percent of shared losses based on the total cost of care for Parts A and B services.
- Payment under the CKCC Global Model is based on the Global Population-Based Payment option of the Direct Contracting Model, with risk for 100 percent of the total cost of care for all Parts A and B services for aligned beneficiaries.

CMS stated that the models are scheduled to begin next year and end in December 2023. To implement the models in time to meet this schedule, CMS will have to propose and finalize necessary regulations soon.

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