Kidney Care Advocates Fight Medicare Cuts
June 5, 2013

A coalition of kidney care experts and advocates fears that Medicare program cuts for end-stage renal disease will be so severe that the cost of delivering dialysis will exceed reimbursement for the service.

A coalition of kidney care advocates is the latest disease interest group to push back against financial cuts required by the American Taxpayer Relief Act of 2012.

In April, the American Society of Clinical Oncology and other cancer care groups projected that ATRA requirements would reduce access to cancer treatment and boost the cost of cancer drugs. The Washington Post reported that cancer clinics had started turning away "thousands of Medicare patients" because of the budget cuts tied to the sequester.

Kidney Care Partners, a coalition of patient advocates, researchers, and dialysis professionals, is travelling a similar path. It has garnered Congressional support in its effort to convince the Centers for Medicare & Medicaid Services to limit the end-stage renal disease program cuts expected to take place as a result of ATRA.

Better known as the fiscal cliff law, ATRA requires CMS to make payment adjustments to the ESRD bundled payment system in an effort to save $4.9 billion over 10 years. The savings will come from what is known as "rebasing." CMS will rebase the ESRD prospective payment system using drug utilization data from 2011. The current base year is 2007.

It is a move that is supported by a December 2012 report from the Government Accountability Office. According to the report, the utilization of ESRD drugs in 2011 was about 23% lower, on average, than it was in 2007.

As a result, the GAO said Medicare may have paid more than necessary for dialysis care in 2011 because the bundled payment rate in that year was based on 2007 utilization levels. The GAO estimated that a rebase to 2011 would have saved between $650 million and $880 million in 2011.

Advocates contend that the ESRD program has already absorbed more than its share of cuts, including a 2% reduction in overall payments when the ESRD bundled payment system was implemented in 2011.

The immediate concern is that the ESRD payment will be reduced so much that the cost of delivering dialysis will exceed reimbursement for the service. That could mean fewer dialysis clinics will be in business and patient access could be limited, especially in rural and inner city areas.

Over the long-term there's concern that another reduction in payment could affect industry innovation by further limiting the ability of providers to invest in advanced therapies, says Tonya Saffer, senior federal health policy director, for the National Kidney Foundation in Washington D.C.

The payment adjustment will affect 85% of the estimated 450,000 dialysis patients. In the United States there are 5,869 profit and non-profit dialysis centers, including 780 hospital-based centers, according to the U.S. Renal Data System. Congress seems willing to engage in the effort. A bipartisan group of senators led by Sen. Ben Cardin (D-MD) and Sen. Mike Crapo (R-ID) expressed concern in a May 17 letter that if CMS "does not exercise caution (which it has the statutory authority to do), the adjustment could threaten the improvements made to the Medicare ESRD program and jeopardize beneficiary access to care."

In a letter dated May 28, the House Ways and Means Committee's Health subcommittee chair, Rep. Kevin Brady (R-TX) and Jim McDermott (D-WA), the subcommittee ranking member, asked to be kept apprised of CMS actions. "We are specifically interested in the rulemaking that the agency is undertaking to implement the ATRA provisions."

CMS is expected to propose ESRD rules by the end of June. One kidney care advocate says the "effort right now is to make our case...to see if there's a way to get the proposed rule to be closer to what we want. It's just easier if you get it right in the proposed rule."

See the original article here.