

Congress of the United States
Washington, DC 20515

May 12, 2023

The Honorable Shalanda Young
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Young:

As the Office of Management and Budget (OMB) reviews the Calendar Year (CY) 2024 End Stage Renal Disease (ESRD) Prospective Payment System (PPS) proposed rule, we urge the Administration to ensure that the methodology adequately reimburses dialysis providers so they can best care for a vulnerable patient population.

Health care providers across the nation have long experienced tight labor markets due to the persistent workforce shortage. Over the past three years, the COVID-19 pandemic exacerbated the labor challenges workforce. To ensure they can attract and retain the skilled caregivers they need to deliver high quality care and ensure patient safety, dialysis providers have dedicated even greater resources toward wages, benefits, and training. Having caregivers with significant dialysis expertise is particularly important for beneficiaries with end stage renal disease (ESRD), who are among the most clinically complex and frailest of all beneficiaries. Many of these beneficiaries have limited incomes and suffer from multiple comorbid conditions, including diabetes, cardiovascular disease, and depression.

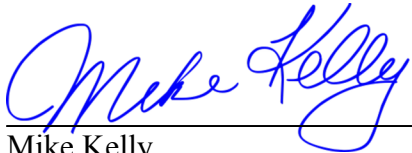
We appreciate that the Centers for Medicare & Medicaid Services (CMS) must forecast annual payment updates and uses the latest available historical data to do so. However, as CMS has acknowledged, the actual market basket update for a given period can be higher or lower than the forecast, especially during times of economic uncertainty.¹ This was the outcome for the forecasted CYs 2021 and 2022 ESRD PPS market basket updates, which in aggregate, fell 3.7 percentage points below those determined using additional quarters of historical data.²

CMS applied its authority to establish forecast error adjustments under other Medicare payment systems. We encourage CMS to extend this policy to the ESRD PPS beginning with a correction to the errors that occurred in CYs 2021 and 2022 and then going forward. Applying a forecast error adjustment would help ensure that dialysis providers have the resources they need to maintain access, quality of care, and patient safety.

¹ FAQ - Market Basket Definitions and General Information Prepared by Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group accessed at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/Downloads/info.pdf>

² Comparison of final CYs 21 and 22 ESRD PPS market basket updates to revised updates included in "Summary Web Table - CMS Market Basket Index Levels and Four-Quarter Moving Average Percent Changes (April 20, 2023)" accessed at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/MedicareProgramRatesStats/MarketBasketData>

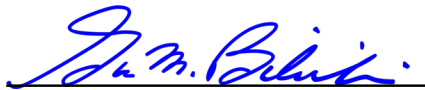
Sincerely,



Mike Kelly
Member of Congress



Terri A. Sewell
Member of Congress



Gus M. Bilirakis
Member of Congress



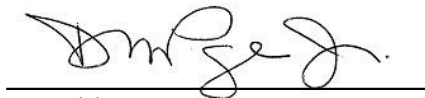
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Member of Congress



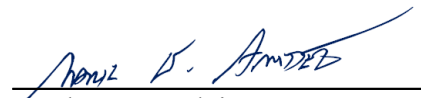
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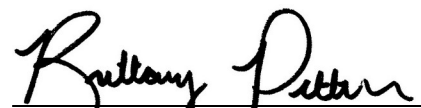
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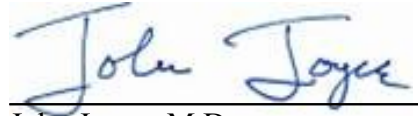
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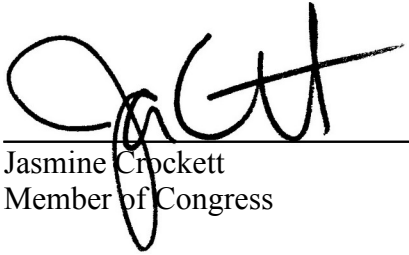
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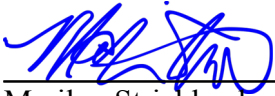
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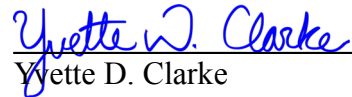
Marilyn Strickland
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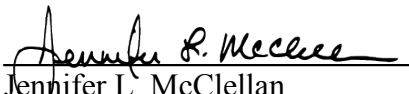
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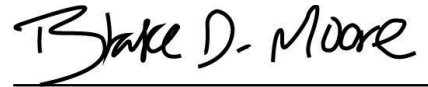
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Member of Congress



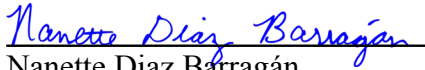
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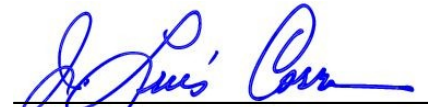
Jim Tokuda
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Steve Cohen
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Troy Balderson
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J. Luis Correa
Member of Congress



A. Drew Ferguson IV
Member of Congress

Cc: The Honorable Richard Revesz, Administrator, Office of Information and Regulatory Affairs (OIRA)
Sophia Young, Chief, Medicare Branch, OMB

The Honorable Chiquita Brooks-LaSure, Administrator, CMS
Jonathan Blum, Principal Deputy Administrator and Chief Operating Officer, CMS
Meena Seshamani, MD, PhD, Deputy Administrator and Director, CMS Center for Medicare

