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Re Centers for Medicare and Medicaid Innovation (CMMI) Proposed Mandatory ESRD Demonstration Project

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As you know, last week CMMI released proposals for one mandatory and a number of voluntary ESRD Demonstration Projects. This memo describes and analyzes the mandatory Proposed Demonstration which will be designed to include 50% of ESRD beneficiaries and certain stage 4 and 5 CDK beneficiaries, as described below. The payment adjustments under the ETC Model would begin either on January or April of 2020 and end on June 30, 2026. We also considered an alternate start date of April 1, 2020, to allow more time to prepare for Model implementation. A memo describing and analyzing the voluntary ESRD projects proposed by CMMI last week will follow.

I. Mandatory Model: The ESRD Treatment Choices Model (ETC Model)

CMMI is proposing that the ETC Model apply to approximately 50 percent of adult ESRD beneficiaries in the country whose ESRD-related services are provided in randomly select Hospital Referral Regions (HRRs). The ETC Model would include two types of payment adjustments: the Home Dialysis Payment Adjustment (HDPA), and the Performance Payment Adjustment (PPA)

A. The HDPA

The HDPA would be a positive payment adjustment on home dialysis and home dialysis-related claims during the initial three years of the Model, to provide an up-front incentive for ETC Participants to provide additional support to beneficiaries choosing to dialyze at home. The HDPA payment adjustments would be made to the home dialysis claims filed by participating ESRD facilities under the ESRD Prospective Payment System (PPS), and to the Monthly Capitation Payments (MCPs) paid to participating Managing Clinicians (including but not limited to nephrologists) on their home dialysis claims. The proposed payment adjustments are as follows:

	CY 2020	CY 2021	CY 2022
Magnitude of Payment Adjustment	+3%	+2%	+1%

Implications for Transplantation: *The HDPA payment adjustments will not impact (and are not designed to impact, transplantation rates or any other aspect of transplantation.*

B. The PPA

Description: The PPA is described as a positive or negative payment adjustment on dialysis and dialysis-related claims, based on the ETC Participant's home dialysis rates and transplant rates in comparison to achievement and improvement benchmarks. The aim is to increase the percent of ESRD beneficiaries either having received a kidney transplant or receiving home dialysis over the course of the ETC Model. The magnitude of the HDPA would decrease as the magnitude of the PPA increases.

There would be two types of HDPAs: the Clinician HDPA and the Facility HDPA. Both adjustments are made based on an ETC Participant's Modality Performance Score (MPS), a numeric performance score calculated for each ETC Participant based on the ETC Participant's home dialysis rate and transplant rate. The MPS requires the determination of an achievement and an improvement score for both home dialysis and transplantation. The achievement benchmarks would be constructed based on historical rates of home dialysis and transplants in comparison geographic areas. The improvement benchmarks would be constructed based on historical rates of home dialysis and transplants by the ETC Participant during a benchmark period.

The Proposed Rule only addresses the PPA scoring for the first two years of the Proposed ETC Demonstration. The ETC Participant would receive the higher of the achievement score or improvement score for the home dialysis rate and the higher of the achievement score or improvement score for the transplant rate; however, achievement is weighted more heavily than improvement. (While an ETC Participant could earn an achievement score of up to 2 points for the transplant rate and the home dialysis rate, the maximum possible improvement score is 1.5 points for each of the rates.) The ETC Proposed Demonstration would use the following scoring system for the first two years:

TABLE 13: PROPOSED SCORING METHODOLOGY FOR ASSESSMENT OF MEASUREMENT YEARS 1 AND 2 ACHIEVEMENT SCORES AND IMPROVEMENT SCORES ON THE HOME DIALYSIS RATE AND TRANSPLANT RATE

Achievement Score Scale for MYs 1 and 2	Points	Improvement Score Scale for MYs 1 and 2
90th+ Percentile of benchmark rates for comparison geographic areas during the benchmark year	2	Not a scoring option

75th+ Percentile of benchmark rates for comparison geographic areas during the benchmark year	1.5	Greater than 10% improvement relative to benchmark year rate
50th+ Percentile of benchmark rates for comparison geographic areas during the benchmark year	1	Greater than 5% improvement relative to benchmark year rate
30th+ Percentile of benchmark rates for comparison geographic areas during the benchmark year	0.5	Greater than 0% improvement relative to benchmark year rate
<30th Percentile of benchmark rates for comparison geographic areas during the benchmark year	0	Less than or equal to benchmark year rate

The scoring system is also weighted toward home dialysis: The home dialysis rate score would constitute two thirds of the MPS, and the transplant rate score would constitute one third of the MPS. While CMMI considered weighting the home dialysis rate score and the transplant rate equally, it recognized that transplant rates may be more difficult for ETC Participants to improve, due to the limited supply of organs and the number of other providers and suppliers that are part of the transplant process but are not included as participants in the ETC Model. CMMI is proposing to exclude attributed beneficiaries age 75 years and older from the transplant rate for the purpose of MPS scoring and has proposed a methodology that would include preemptive transplant for those with CKD Stages 4 and 5.

Based on the individual Participant's score, payment for dialysis and dialysis-related claims would be adjusted as follows

TABLE 14: PROPOSED FACILITY PERFORMANCE PAYMENT ADJUSTMENT AMOUNTS AND SCHEDULE

		Performance Payment Adjustment Period				
	MPS	**1 and 2**	**3 and 4**	**5 and 6**	**7 and 8**	**9 and 10**
Facility Performance Payment Adjustment	≤ 6	+5.0%	+6.0%	+7.0%	+8.0%	+10.0%
	≤ 5	+2.5%	+3.0%	+3.5%	+4.0%	+5.0%
	≤ 3.5	0.0%	0.0%	0.0%	0.0%	0.0%
	≤ 2	-4.0%	-4.5%	-5.0%	-6.0%	-6.5%
	≤ .5	-8.0%	-9.0%	-10.0%	-12.0%	-13.0%

TABLE 15: PROPOSED CLINICIAN PERFORMANCE PAYMENT ADJUSTMENT AMOUNTS AND SCHEDULE

		Performance Payment Adjustment Period				
	MPS	1 and 2	3 and 4	5 and 6	7 and 8	9 and 10
Clinician Performance Payment Adjustment	≤ 6	+5.0%	+6.0%	+7.0%	+8.0%	+10.0%
	≤ 5	+2.5%	+3.0%	+3.5%	+4.0%	+5.0%
	≤ 3.5	0.0%	0.0%	0.0%	0.0%	0.0%
	≤ 2	-3.0%	-3.5%	-4.0%	-4.5%	-5.5%
	≤ .5	-6.0%	-7.0%	-8.0%	-9.0%	-11.0%

The magnitude of the proposed PPAs are designed to be comparable to the MIPS payment adjustment factors for MIPS eligible clinicians

Implications for Transplantation. *While it is clear that the ETC Proposed Demonstration's payment provisions are intended to incentivize transplantation as well as home dialysis, it is not entirely clear whether or to what extent the proposed scoring system and payment adjustments are likely to be sufficient to achieve this result*.

Consider, for example:

- An ETC Participant (clinician or Facility) at the 75th with respect to home dialysis would not receive any payment adjustment throughout the ETC Demonstration if there were a minimal improvement in the transplantation rate or if the participant scored at 30th percentile with respect to transplantation (or greater).

- An ETC Participants with no improvement in transplantation rates and less in 30th percentile score with respect to transplantation would only be subject to rate adjustments of -3% to -5.5% (clinician) or -4% to -6.5% (facility), so long as they achieve a 5% increase in home dialysis rates each year or are in the 50th percentile with respect to home dialysis. These reductions would be partially offset during the first three years by increases in payment for all home dialysis claims.

Recommendation*: We would recommend that ASTS examine the scoring system and adjustment schedule for the HPDA carefully to determine whether they are likely to provide sufficient incentive for transplantation.*

C. Transplant Learning Collaborative

In reference to the lack of any HDPA payment adjustment to increase transplantation during the initial years of the project, CMMI states:

> We do not believe that an analogous payment adjustment is necessary for increasing kidney transplant rates during the initial years of the ETC Model. Rather, instead of creating a payment adjustment, we propose to implement a learning collaborative that

focuses on disseminating best practices to increase the supply of deceased donor kidneys available for transplant.

The "learning collaborative" is further described as:

> a voluntary learning system focused on increasing the availability of deceased donor kidneys for transplantation. The learning system would work with, regularly convene, and support ETC Participants and other stakeholders required for successful kidney transplantation, such as transplant centers, organ procurement organizations (OPOs), and large donor hospitals. Quality improvement approaches would be employed to improve performance by collecting and analyzing data to identify the highest performers, and to help others to test, adapt and spread the best practices of these high performers throughout the entire national organ recovery system. We believe that the implementation of the learning system would help to increase the supply of transplantable kidneys, which would help ETC Participants achieve the goals of the Model.

Recommendation: *We would recommend that ASTS consider whether the "learning collaborative" proposed by CMMI is likely to be sufficient to achieve increased organ availability, in the absence of modifications in the payment system and relief from the outcomes requirements imposed by the OPTN and CMS and the incentives created by the SRTR five star system.*