# Healthcare

May 9, 2024

Dialysis & Nephrolog

A monthly report by Benesch on the Dialysis & Nephrology Industry

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#### May 9, 2024

## **Dialysis & Nephrology** DIGEST



Please contact us if you would like to post

information regarding your upcoming events or if you'd like to guest author an article for this newsletter.

sdowning@beneschlaw.com jgreis@beneschlaw.com jcilek@beneschlaw.com

### **Calendar of Events**

MAY 14–18, 2024 **NKF: Spring Clinical Meetings** Long Beach, CA For information, please click <u>here</u>.

MAY 16, 2024 **Society of Interventional Radiology Business Institute Roundtable – Webinar**  *An Update on the FTC's Rule Banning Non-Compete and New State Law Non-Compete Restrictions* **Speaker: Jason S. Greis** 

To register, please click <u>here</u>. MAY 31, 2024

**ANNA: 2025 National Symposium** Portland, OR: Call for Proposals Deadline For more information, please click <u>here</u>.

MAY 21, 2024 **RHA Webinar: Dynamic Decision Making: Home Therapies Program Development Guide** For more information, please click <u>here</u>.

JUNE 9, 2024 National Kidney Foundation of Illinois 25th Annual Walk for Kidneys Presented by Baxter Diversey Harbor, Chicago, IL Register <u>here</u>.

AUGUST 14–17, 2024 **AMP: The Amputation Prevention Symposium** Chicago, IL For more information, please click <u>here</u>.

SEPTEMBER 20–24, 2024 **ANNA: Nephrology Nursing Summit** Atlanta, GA For more information, please click here. SEPTEMBER 28, 2024 2024 Renal Physicians Association PAL Forum Washington, DC For information, please click <u>here</u>.

OCTOBER 23–27, 2024 ASN Kidney Week 2024 San Diego Convention Center San Diego, CA

For more information, please click <u>here</u>.

FEBRUARY 7–9, 2025 **ASDIN: 21st Annual Scientific Meeting** Grapevine, TX For more information, please click <u>here</u>.

FEBRUARY 16–19, 2025 American Venous Forum: Annual Meeting Atlanta, GA

For more information, please click here.

MARCH 29–APRIL 2, 2025 SIR: 2025 Annual Scientific Meeting Nashville, TN For more information, please click <u>here</u>.

APRIL 3–6, 2025 **Renal Physicians Association 2025 Annual Meeting** Las Vegas, NV

MAY 1–4, 2025 **ANNA: 2025 National Symposium** Portland, OR For information, please click here.



# Benesch Healthcare+ Fourth Annual Nephrology and Dialysis Conference

# Thursday, June 13, 2024 8:00 A.M. –5:30 P.M.

Cocktail reception to follow
Union League Club of Chicago

65 W. Jackson Blvd. | Chicago, IL 60604

Please join us for this full-day conference addressing business and legal issues facing nephrology and dialysis providers. Hear from industry leaders discussing current and future trends in care delivery, business and payment models and legal and regulatory issues.

#### Click **HERE** to register.

A block of guest rooms has been reserved for attendees at the Union League of Chicago at \$249/ night + a 20% service charge. Please email the Club Services Department at <u>clubservices@ulcc.org</u> or contact them directly at 312.427.7800 by May 27, 2024.

Please contact MEGAN THOMAS, Director of Client Services (<u>mthomas@beneschlaw.com</u>) for more information about this event as well as exhibitor and sponsorship opportunities.

\*No CME or CLE available.

## Benesch Healthcare

## AGENDA

8:00-8:45

**Registration and Breakfast** 

#### 8:45-9:00

**Introductory Remarks** 

SCOTT DOWNING AND JASON GREIS, Partners, Benesch Healthcare+

#### 9:00-9:45

News from the Hill: Renal Physicians Association Dialysis Legislative Update

ROB BLASER, Director of Public Policy, Renal Physicians Association

#### 9:45-10:30

Is Bigger Really Better? Exploring Physician Integration Strategies (Mergers, CINs, IPAs, ACOs and MSOs)

Moderator:

JASON GREIS, Partner, *Benesch Healthcare*+ Presenters:

M. CARNEY TAYLOR, JR., M.D., M.B.A., Co-President, Eastern Nephrology Associates

DAVID MAHVI, M.D., Chief Executive Officer, Carolina Kidney Partners

MARTIN SEROTA, M.D., Nephrology Specialty IPA JEFFREY GOODMAN, M.D., President, Nephrological Associates, a division of Northeast Kidney Care

(continued on next page)

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# AGENDA

### **Benesch Healthcare+ Fourth Annual Nephrology and Dialysis Conference**

#### 10:30-10:45 Break

#### 10:45-12:00

#### **VBC Models, What's Working Well and What's Not** Moderator:

SCOTT DOWNING, Partner, *Benesch Healthcare+* Presenters:

TIM PFLDERER, M.D., Chief Medical Officer,

Evergreen Nephrology

JOE KIMURA, Chief Medical Officer, Somatus

BEN KUHN, Senior Vice President of Provider Solutions, Strive Health

AASHISH SHAH, Chief Growth Officer, Monogram

DAVID ARRIETA, Vice President of Physician Solutions, Interwell Health

NIRAV VAKHARIA, M.D., Chief Medical Officer,

Panoramic Health

ALEX PORTET, Co-Chief Operating Office, US Renal Care ASHLEY SNYDER, Group Vice President, DaVita Nephrology Practice Solutions

#### 12:00–1:00 Lunch

(Sponsored by CorMedix)

#### 1:00-1:15

Tdapa—Changes, Challenges and Opportunities Presented by *CorMedix* 

#### 1:15-2:00

# Optimizing VBC Models between Nephrologists and Primary Care Physicians

Moderator:

NESKO RADOVIC, Counsel, *Benesch Healthcare+* Presenters:

KELLEY CONROY, Principal, *Pinnacle Healthcare Consulting* JONAH BROULETTE, Principal and Consulting Actuary, *Milliman* 

ALEXANDER LIANG, M.D., President, *Dallas Nephrology Associates* 



#### 2:00-2:45

A Brave New World: Chronic Care Management and Remote Patient Monitoring, and the Future with AI Advances

#### Moderator:

LAURI COOPER, Counsel, *Benesch Healthcare+* Presenters:

GAURAV JAIN, M.D., Executive Vice President/Chief Medical Officer, *MayaMD* 

DAVID KURAGUNTLA, Chief Executive Officer, *Alio Medical* HOWARD SHAPS, Chief Medical Officer, *Healthmap* 

STEPHANIE TOTH-MANIKOWSKI, MD, MHS National Medical Director, *Healthmap* 

DARSHAN BACHHAWAT, Chief Revenue Officer, Jaan Health (Phamily)

KATHRIN L. ZAKI, Associate, Benesch Healthcare+

#### 2:45-3:00 Break

#### 3:00-3:45

#### Noncompete Update and Case Study

Moderator:

JAKE CILEK, Partner, *Benesch Healthcare*+ Presenters: CHARLES LEUIN, Partner, *Benesch* 

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J. SCOTT HUMPHREY, Partner, Benesch

#### 3:45-4:15

# Tax Planning for All Seasons, What Physicians and Industry Executives Should Know

Moderator:

CHRIS DEGRANDE, Counsel, Benesch Healthcare+ Presenters: DAVID MANDELL, JD, MDA, Partner, OJM Group

#### 4:15-5:15

#### What's Next? Companies to Know

ROBERT PROVENZANO, M.D, Chief Executive Officer, Innocura

NEAL PATEL, Chief Executive Officer, Elixia

DAVE FIRDAUS, Chief Executive Officer, Gold Kidney Health Plan

TAMMY ELZY, NephMD Recruitment

DAVID KURAGUNTLA, Chief Executive Officer, *Alio Medical* FARRUKH USMAN, Founder and Chief Executive Officer, *Byonyks Medical Devices, Inc.* 

5:15-6:30 Cocktail Reception

(Sponsored by Somatus)

Please contact MEGAN THOMAS, Director of Client Services (<u>mthomas@beneschlaw.com</u>) for more information about this event as well as exhibitor and sponsorship opportunities.

## Benesch Healthcare

# **Exhibitor and Sponsorship Opportunities Benesch Healthcare+ Fourth Annual Nephrology and Dialysis Conference**

# Thursday, June 13, 2024 8:00 A.M. -5:30 P.M. Cocktail reception to follow

# Union League Club of Chicago 65 W. Jackson Blvd. | Chicago, IL 60604

#### Conference Registration ...... \$250

Please register and pay HERE.

#### Break Sponsorships......\$2000 (two slots)

- Logo
- Spotlight
- 4 free registrations
- List of attendees week before

#### Exhibitor Space.....\$1000

- Logo
- Overview of company within handout
- 2 free conference registrations
- List of attendees week before

#### Breakfast Sponsor ......\$3500

- Logo
- Spotlight with free plug
- 8 conference registrations
- List of attendees week before

#### Cocktail Reception Sponsor......\$6000

Logo

Logo

Spotlight with free plug

Spotlight with free plug

 8 conference registrations List of attendees week before

- Decorate space with signage
- 8 conference registrations
- List of attendees week before

#### For more information or to sign up for an exhibitor space or sponsorship, please contact:

MEGAN THOMAS **Director of Client Services** mthomas@beneschlaw.com

www.beneschlaw.com

## **Nephrology and Dialysis**

APRIL 23, 2024

# Benesch: FTC final rule banning noncompetes grandfathers existing agreements for senior execs

The FTC voted 3-2 in favor of the <u>final rule</u>, which bans noncompete clauses in employee contracts in most cases. While the rule would cover most employees, both retroactively and in the future, it wouldn't cover in force agreements for senior executives in policymaking roles. As well, Benesch Law states the ban wouldn't apply to individuals selling all or substantially all their ownership interests in a business. Benesch Law points out the final rule will likely be the subject of numerous court challenges to prevent it from being enacted in 180 days, so it's unlikely that organizations will be required to make immediate changes to their operations. However, should the courts decide to allow the rule to go into effect, organizations will need to inform affected employees of when their noncompete clause is no longer valid.

#### SOURCE: Benesch Law

#### APRIL 23, 2024

### Hospitals say FTC noncompete rule will exacerbate staffing shortages

The FTC claims a ban on noncompete agreements will save the healthcare system nearly \$200 billion over the next 10 years. The rule won't cover nonprofits, however, the regulator is reserving the right to re-evaluate their status, noting "some portion of the 58% of hospitals that claim tax-exempt status as nonprofits and the 19% of hospitals that are identified as state or local government hospitals" may still be subject to it. The Federation of American Hospitals (FAH) <u>says</u> a ban will create a double whammy, making it more difficult to recruit and retain healthcare professionals "while at the same time creating an anti-competitive, unlevel playing field between tax-paying and tax-exempt hospitals."

Related: FTC announces rule banning noncompetes – Federal Trade Commission

SOURCE: Becker's Hospital Review

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APRIL 23, 2024

# Benesch: DOL final rule on EAP, HCE exemptions could bring millions of workers under FLSA umbrella

Under the <u>final rule</u>, workers classified as exempt under the executive, administrative and professional (EAP) exemptions must be paid \$844 per week as of July 1, with that figure rising to \$1,128 weekly on Jan. 1, 2025. For the highly-compensated employee (HCE) exemption, the threshold rises to \$132,964 per year on July 1, with a further increase planned for Jan. 1, 2025 to \$151,164 annually. The rule provides for updates to both the EAP and HCE thresholds in 2027 and every three years after that. Benesch Law notes the exemption threshold changes could affect over 3.6 million employees, who would be subject to minimum wage and overtime guarantees under the FLSA. While these adjustments were successfully litigated in the past and the final rule will likely be challenged this time, Benesch Law says organizations should act with the expectation the rule will take effect on July 1 and review whether increasing compensation for exempt employees to the new EAP or HCE thresholds would be more fiscally sound than maintaining their current exempt status.

#### SOURCE: Benesch Law

#### APRIL 4, 2024

#### Federal judge asked to combine separate collective actions against DaVita alleging denied wages

Both proposed class actions involve nurses and technicians working for the Denver-based dialysis provider. They allege the company made them perform unpaid work during scheduled breaks or during overtime. As part of the original filing, a federal judge in 2021 certified the class in nine states but denied a petition to extend the suit nationwide. Last Nov., another worker brought forward a proposed class action for states not included in the earlier case. Lawyers for the plaintiffs are <u>seeking</u> the two suits be consolidated, reasoning the original case is only in the second phase of discovery, so only a short stay would be required to bring the second case up to speed.

SOURCE: Law360 (sub. rec.)

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APRIL 17, 2024

# Outset Medical, U.S. Renal Care agreement aims to expand home dialysis business

The multi-year agreement permits U.S. Renal Care to use Outset's Tablo home hemodialysis system in all 33 states in which the dialysis provider operates. Outset notes patients with ESKD report better physical and mental health when they're able to undergo dialysis at home, but only 3% have access to the treatment. U.S. Renal Care reports initial success with the Tablo system due to the ease of operation and the minimal amount of training required.

#### SOURCE: Outset Medical

APRIL 22, 2024

### DaVita claims PPA with Spanish company fulfills global clean energy pledge

DaVita states since 2021, 100% of its North American electricity needs were sourced from renewables. The power purchase agreement (PPA) with <u>Acciona Energia</u> is to generate 91 GWh of solar power annually from two sites near Valencia, Spain. DaVita claims that's equivalent to the total amount of electricity it uses in its international business.

#### SOURCE: DaVita

#### APRIL 10, 2024

#### DaVita appoints long-time health exec to board as independent director

Dennis Pullin is president and CEO of NJ-based Virtua Health, a position he has held since 2017. Prior to that, he spent 16 years in senior positions at hospitals in Baltimore, DC and Houston. DaVita explains Pullin is an expert in health equity and his appointment means over half of the 11-member board is diverse.

SOURCE: DaVita

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APRIL 23, 2024

### Interwell Health hires longtime HR exec as CPO

Boston-based kidney care management company <u>Interwell Health</u> named <u>Clark Curtis</u> as Chief People Officer. Curtis has 27 years of HR experience at various companies, including a stint as SVP of Talent and Culture at <u>Iora Health</u>, a value-based primary care organization, also based in Boston.

SOURCE: Interwell Health

#### APRIL 5, 2024

### RPA, ASN inform Congress nephrology practices will leave CKCC program if cuts aren't reversed

Nephrology practices taking part in CMS' <u>Comprehensive Kidney Care Contracting</u> (CKCC) option of the Kidney Care Choices (KCC) model are considering leaving the five-year old program designed for patients with Stage 4 or 5 CKD over changes in Medicare payments. The imposition of a retroactive trend adjustment is based on lower rates of dialysis usage during the pandemic. Both the ASN and the RPA <u>explained</u> to the secretary of HHS the CKCC model was meant to provide nephrology practices with an incentive to introduce value-based care but the removal of the adjustment mean their members are accruing too much financial risk. The groups also <u>informed</u> Congressional leaders of their dilemma and urged the federal government to reverse the CMS decision so they can participate more in the shared savings from the CKCC program.

SOURCE: Healio (sub. rec.)

#### APRIL 15, 2024

# Radiologist Medicare pay reform has bipartisan support on U.S. Senate Committee on Finance

The committee held hearings on the topic on Apr. 11, with chair Ron Wyden (D-OR) noting the current payment system doesn't serve either practitioners or patients with chronic conditions particularly well. Ranking member Mike Crapo (R-ID), states the <u>Medicare Access</u> and <u>CHIP Reauthorization Act</u> was designed to initiate a more value-based care system and end the era of cuts to Medicare payments, but he <u>believes</u> the reforms are failing as clinicians deal with a high administrative burden for marginal gains. The committee heard from various physician groups, with the American College of Radiology <u>saying</u> it'll continue to "work with Congress on substantive Medicare payment reform."

SOURCE: Radiology Business





APRIL 23, 2024

# NKF urges passage of bipartisan House bill meant to increase access to home dialysis

The <u>bill</u>, which counts two Democrats and two Republicans as co-sponsors, would cover the costs of in-home healthcare support staff for patients receiving home hemodialysis to ease the transition from a clinical setting. While meant as a temporary measure while the patient and/ or their caregiver become familiar with the equipment, those with certain disabilities or other concerns may be eligible for longer-term assistance. The legislation would also:

- Mandate education of patients on all of their dialysis options;
- Expand the universe of healthcare providers who can provide home dialysis training to remove the burden from the nursing staff; and
- Permit the use of group training, telehealth and off-site training.
- A companion bill is expected to be introduced soon in the Senate.

#### SOURCE: National Kidney Foundation

#### APRIL 15, 2024

#### AMA hopeful MedPAC discussion will spur action on cuts to Medicare reimbursements

A presentation to MedPAC explains how cuts to Medicare payments are putting physician practices in jeopardy, particularly as lower reimbursement rates are set against inflated operational costs, known as the Medicare Economic Index (MEI). AMA president, Dr. Jesse Ehrenfeld, notes MedPAC has tried to remedy this shortfall, recommending increases to payments the past two years. However, physicians received cuts of nearly 2%. A bipartisan bill was introduced in the House last year that would tie future updates to the MEI and Ehrenfeld encourages Congress to take up the legislation and ensure its passage.

#### SOURCE: AMA

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APRIL 19, 2024

### ASN: Additional funding needed to support federal organ transplant system

Congress provided a \$59-million budget for the <u>Health Resources and Services</u>. <u>Administration Organ Transplantation Program</u> in FY2024 to increase accountability, transparency and competition, to increase patient access to donated organs. The American Society of Nephrology (ASN) says a further \$8 million is needed for FY2025 to fully implement the reforms. It specifically targets funds to establish independent governance of the Organ Procurement and Transplantation Network, as well as investments in core systems to improve functionality and IT infrastructure.

SOURCE: Healio (sub. rec.)

### APRIL 10, 2024 USVI law creates registry for chronic illness; includes CKD, dialysis patients

The territorial governor signed a <u>bill</u> into law creating a registry for patients with a stroke, diabetes and CKD or on dialysis. Designed as a surveillance system for USVI residents with chronic illnesses, the data collected is to be used for epidemiological surveys. The governor defended the registry, noting the territory has a growing number of residents with the conditions listed in the bill, so tracking them will enable earlier detection and treatment.

SOURCE: Caribbean Loop News

#### APRIL 24, 2024

# Satellite Healthcare co-develops process to keep patients on peritoneal dialysis

Researchers from dialysis provider <u>Satellite Healthcare</u> and Stanford University are confident a discontinuation risk assessment process they co-developed will lead to more patients remaining on peritoneal dialysis (PD) longer. PD discontinuation is common and is associated with poor clinical outcomes. The assessment process was implemented at three home dialysis units to identify patients at high risk of transferring to hemodialysis. The most common risk factors associated with transfers were psychosocial issues. Researchers then devised interventions such as staff-assisted PD, dialysis prescription adjustment, home visits by staff and respite care. It was found those interventions slowed the rate of patients leaving PD, while those considered high-risk were able to be moved to a lower-risk cohort following interventions.

SOURCE: Healio (sub. rec.)





APRIL 22, 2024

# Thousands of Black patients moved up kidney transplant wait list with elimination of racial metric

A measure of a patient's kidney function, the eGFR calculation, relies on data such as the individual's age, sex and body mass. Its score is an accepted way to determine where a patient is placed on a wait list for a donated kidney. The calculation used to include race as a factor due to the belief Black patients' kidneys functioned differently than other groups, which often meant longer wait times for them. A task force struck by the National Kidney Foundation and the American Society of Nephrology resulted in race being eliminated from consideration and the Organ Procurement and Transplantation Network says 14,280 Black kidney transplant candidates were moved up the wait list.

#### SOURCE: ABC News

#### APRIL 18, 2024

# Home dialysis firm partnering with ANNA to increase numbers, roles of nephrology nurses

With the number of patients with CKD growing, health systems are facing shortages in care specialists in nephrology. As a member of the partnership advisory council at the <u>American</u> <u>Nephrology Nurses Association</u> (ANNA), <u>Outset Medical</u> aims to provide insight and feedback to:

- Expand the role of nephrology nurses;
- Attract and retain more nurses in the field of kidney patient care; and
- Advocate for policy changes to support the kidney care workforce.

SOURCE: DocWire News

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APRIL 17, 2024

## One in five healthcare firms that went bankrupt last year controlled by PE; another wave expected in 2024

The Private Equity Stakeholder Project (PESP) reports 80 healthcare companies went out of business in 2023 and 17 of them were owned by PE firms. It blames high debt, aggressive financial strategies and rising interest rates last year for the increase, noting annual bankruptcies among PE-backed healthcare companies doubled from five years ago. Other factors leading to financial distress in the PE-funded healthcare space include high labor costs and regulatory shifts. The PESP notes 45 healthcare companies are in danger of default this year and all but three of them are owned by PE firms, so a second wave of bankruptcies in 2024 is predicted.

#### SOURCE: Becker's Hospital Review

#### APRIL 26, 2024

# Fresenius recalls millions of dialysis devices due to potential leaching of carcinogen

The FDA reports 2.2 million extension sets and adapters will be recalled by Fresenius after it was found their silicon tubing could put patients at risk of exposure to compounds known as NDL-PCBAs that can cause endocrine dysfunction, liver issues, neuro-behavioral changes, skin problems and male infertility. As a result of the Class I recall, Fresenius switched the tubing so it uses a platinum catalyst and recalled devices that incorporated PCBs in their manufacturing processes. The company notes the devices were in operation since 2003 in the U.S. and there were no reports of injuries or deaths.

SOURCE: MedTech Dive

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APRIL 26, 2024

# Benesch: Changes to CKCC model include narrower risk corridors to RTA

Within the <u>CKCC</u> value-based care payment model, the Retrospective Trend Adjustment (RTA) addresses the difference between actual health costs and predicted expenditures for nephrology and other healthcare practices and acts as a hedge against the risk of benchmarks being set too high or too low. Benesch Law points out the RTA is applied retrospectively, more than a year after kidney contracting entities set their budgets, so practices that deliver the best value for care can be rewarded for their efforts. CMS made updates to the CKCC model for PY2024, including changes to the RTA risk corridors:

- KCEs must absorb the first 3% of the RTA;
- Between adjustments of 3% and 6%, CMS will cover half the amount; and
- Risk corridors above 6% will be completely assumed by CMS.

CMS will also permit KCEs to move up or down between the Global and Professional risk options. Before PY2024, it was only possible to move from low risk to high risk. The change allows KCEs expecting a loss based on RTAs to share savings or losses with CMS. They had until Apr. 30 to decide which risk option they're choosing for PY2024. Finally, CMS updated a policy to overcome challenges to joining the program from practices in non-contiguous jurisdictions, pairing AK, HI and PR with WA, CA and FL, respectively. It's to comply with the rule that participating nephrologists have access to five core based statistical areas, either in their state or an adjoining one.

Source: Benesch Law

## VAC, ASC and Office-Based Labs

#### APRIL 16, 2024

# SCA sells stake in San Francisco-area ASC to two health systems, physicians

UCSF Health, affiliated with UC-San Francisco, has a 20.4% stake in <u>Marin Specialty Surgery</u> <u>Center</u>, an ASC based in San Rafael, CA, with the remaining shares controlled by MarinHealth Medical Center and 11 physician partners. Terms weren't announced. Under the purchase agreement, UCSF surgeons will be permitted to treat patients at the center. In 2023, the ASC performed about 2,400 outpatient surgeries.

SOURCE: Becker's ASC Review

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## VAC, ASC and Office-Based Labs (cont'd)

MARCH 14, 2024

# CO appeals court rules breach of contract verdict against ASC can stand despite jury instruction issue

The appellate panel <u>decided</u> that even though instructions to the jury in a breach of contract case against Audubon Ambulatory Surgery Center brought by management company JanKat Services were wrong, it won't disturb the award granted. Audubon argued the jury should've been informed about how a contract might be immediately terminated even if it contained a provision for a 30-day notice period. The panel agreed with the defendant's position, but ruled the jury was unlikely to have reached a different verdict. The opinion noted that although JanKat "breached a common law duty of indemnification as Audubon's agent," it didn't breach the contract, so the jury couldn't have found Audubon's termination justified. The panel ruled the \$500,000 jury award to JanKat will stand, saying there was sufficient evidence supporting the jury's verdict Audubon unjustly benefited from the work done by JanKat that was unpaid for.

SOURCE: Law 360 (sub. rec.)

For more information regarding our nephrology, dialysis and office-based lab experience, or if you would like to contribute to the newsletter, please contact:

> Jake Cilek jcilek@beneschlaw.com | 312.624.6363

Scott Downing sdowning@beneschlaw.com | 312.624.6326

Jason Greis jgreis@beneschlaw.com | 312.624.6412

## Advertise with Us!

To advertise in Benesch's Dialysis & Nephrology Digest, contact Lauren Luna at <u>Iluna@beneschlaw.com</u> or (216) 363-6199.

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