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Nephrologists frustrated over CMS' last-minute delay of kidney program

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Providers caring for patients with chronic kidney disease are scrambling to update their operations after the Center for Medicare and Medicaid Innovation delayed starting a new value-based payment program just weeks before it was set to go live.

CMS was unable to respond to an interview request about how many nephrologists and other providers will be impacted by the delay in the Kidney Care Choices program. But the program received more applications than expected, according to Mark Gooding, an associate principal at the Avalere consultancy.

The delay represents CMMI's latest unannounced update after the agency decided to pause and review the [Geographic Direct Contracting Model](#) in February.

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Kidney Care Choices was introduced in 2019 and aimed to reduce the number of Americans who develop end-stage renal disease, promote dialysis at home and expand access to kidney transplants. The model includes three frameworks for being financially accountable for kidney care episodes, ranging from a lower-risk, one-sided financial model to one where a provider took on all of the risk for traditional Medicare enrollees.

About 750,000 Americans have ESRD, and 530,000 are Medicare beneficiaries. People with permanent kidney failure, including those under age 65, have long been eligible to enroll in the traditional Medicare program, which covers dialysis treatments, kidney transplants and other services. Dialysis removes waste and fluid from the blood when the kidneys are no longer working. [A March 2021 MedPAC analysis](#) found that these beneficiaries are disproportionately younger, male and Black compared to other Medicare enrollees. Most live in cities.

Treating their disease can run up the bills for Medicare. Twenty percent of annual traditional Medicare expenditures, or \$114 billion, go towards treating the 37 million individuals with kidney disease, according to HHS.

The Kidney Care Choices program was intended to lower the cost of treatment, and improve the quality of life, for these patients. It was initially intended to kick off in 2020 but was delayed until April 2021 because of the COVID-19 pandemic. Now, CMMI paused the program until January 2022.

"From the nephrologist's perspective, this came as a big shock because they were literally going to start the program in a couple of weeks, and there hadn't been any real hints that this was going on," said Scott Downing, a partner at Benesch Law.

In a letter to the director of CMMI sent on March 11, Dr. Jeffrey Perlmutter, president of the Renal Physicians Association, said he had heard from dozens of nephrology practices that are "exceptionally frustrated" by the delay, upset over the operational costs already incurred and unsure how they will meet the necessary quality requirements for other value-based Medicare initiatives this year. Some providers were counting on the new model to satisfy requirements for CMS' Merit-based Incentive Payment System, Perlmutter wrote.

"Nephrology practices across the country have devoted substantial time, resources and funds to prepare for an April 1, 2021 start date," Perlmutter wrote. "These are now sunk costs which these practices will not recoup."

The Renal Physicians Association is calling for nephrologists to be excepted from quality reporting this year, make available the bonuses nephrologists could have received for connecting patients with transplant kidneys and allowing them to participate in other Medicare payment models that are not fee-for-service. Nephrologists could have received \$15,000 for every kidney transplant they facilitated, said Jason Greis, a partner at Benesch Law.

Because it is a voluntary model, nephrologists likely would not have volunteered to participate if they were going to lose money, he added. The delay could impact their bottom lines and hold up the development of other value-based startups this year, Greis said—a business that has been growing as [private insurers are forced to accept new ESRD patients](#) in Medicare Advantage for the first time this year.

"These new companies are very keyed in and very focused on the data that CMS is collecting because it helps them to develop actuarial models to take on risk in providing dialysis and nephrology care," he said. "The delay may disadvantage those companies."

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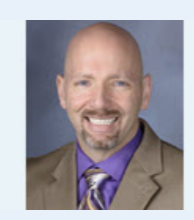
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