Healthcare

July 2025

Dialysis & Nephrology

A monthly report by Benesch on the Dialysis & Nephrology Industry

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AUGUST 12–17, 2025 Nephrology Business Leadership Conference Plano, TX For more information, please click <u>here</u>.

SEPTEMBER 17–19, 2025 RHA Annual Conference Orlando, FL

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

SEPTEMBER 17–19, 2025 RHA Annual Conference Orlando, Florida

Disney's Contemporary Resort

The RHA Annual Conference brings together dialysis professionals, industry leaders, and vendors from across the U.S., offering valuable education, expert insights, and networking opportunities to support the entire renal care community. For more information, please click <u>here</u>.

SEPTEMBER 26–28, 2025 ANNA: 2025 Nephrology Nursing Summit Charlotte, NC For more information, please click <u>here</u>.

SEPTEMBER 30–OCTOBER 3, 2025 Becker's Healthcare: 10th Annual Health IT + Digital Health + RCM Conference Chicago, IL

For more information, please click here.

OCTOBER 2–4, 2025 **7th Annual Therapeutic Apheresis Academy** UVA Pinn Hall Conference Center Charlottesville, Virginia For more information, please click <u>here</u>. OCTOBER 9-11, 2025 Society of Interventional Radiology Edge 2025 San Diego, CA For more information, please click here.

OCTOBER 9-11, 2025 American Vein & Lymphatic Society

39th Annual Congress Washington, DC For more information, please click <u>here</u>.

NOVEMBER 3–4, 2025 Becker's 4th Annual Fall 2025 Payers Issue Roundtable

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

NOVEMBER 3–6, 2025 Becker's Healthcare: 13th Annual CEO + CFO Roundtable Chicago, IL

For more information, please click here.

NOVEMBER 5–9, 2025 **ASN: Kidney Week 2025** Houston, TX *(Call for Abstracts Deadline May 21)* For more information, please click <u>here</u>.

MARCH 1-4, 2026

American Venous Forum 2026 Denver, CO For more information, please click here.

MARCH 19–21, 2026 2026 OEIS Scientific Meeting Las Vegas, NV (details to come)

OCTOBER 21–25, 2026 **ASN: Kidney Week 2026** Denver, CO For more information, please click <u>here</u>.

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Please contact us if you would

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

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Calendar of Events (cont'd)



RPA Nephrology Advocacy and Innovation Weekend Washington, DC

Join the Renal Physicians Association (RPA) on October 10-11, 2025, in Washington, D.C. for a transformative Advocacy and Innovation Weekend. As the landscape of kidney care evolves, it is crucial to amplify your voice and champion the issues that matter most to patients and you. On **Friday, October 10th**, RPA will lead a legislative advocacy campaign on Capitol Hill, engaging with policymakers to shape the optimal delivery of kidney care. Then, on **Saturday, October 11th**, RPA will host an immersive mini coding and billing workshop, followed by a cutting-edge AI summit. Explore the latest advancements in billing, coding, reimbursement, and artificial intelligence, equipping you with the knowledge to enhance clinical practice and drive innovation. This dynamic event is a must-attend for nephrologists, practice administrators, advance practice providers, healthcare executives, policymakers, and industry leaders from across the pharmaceutical, device, and AI sectors seeking to advocate, innovate, and elevate the future of kidney care.

To register, please click here

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MEMBER BENEFITS INCLUDE:

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Nephrology and Dialysis

CMS Releases Proposed Rule for 2026 ESRD PPS

As the nephrology organization representing the specialty on socioeconomic and physician practice issues, the Renal Physicians Association analyzes and disseminates information on Medicare payment rules of consequence to the nephrology specialty. One of these rules is for the ESRD Prospective Payment System (PPS), reimbursing dialysis facilities for the care they provide, and which came out on June 30. The 2026 ESRD PPS proposed rule contained few surprises, bulleted highlights of which are listed below (and thanks to our friends at Kidney Care Partners from whose summary parts of what is below are excerpted).

- For CY 2026, CMS is proposing to increase the ESRD PPS base rate to \$281.06, which CMS expects would increase total payments to all ESRD facilities, both freestanding and hospital-based, by approximately 1.9%.
- Consistent with current law, this payment amount applies to AKI patients as well.
- The rule also proposes to shorten the In-Center Hemodialysis Consumer Assessment of Healthcare Providers and Systems (ICH CAHPS) survey to thirty-nine questions, removing twenty-three questions, including removal of all six questions that make up the Nephrologists' Communication and Caring (NCC) multi-item measure and removal of the nephrologist rating question. The rule also consolidates the race and ethnicity questions into one question.
- In the ESRD QIP section, the rule proposes eliminating three health equity reporting measures, including the Facility Commitment to Health Equity reporting measure, the Screening for Social Drivers of Health reporting measure, and the Screen Positive Rate for Social Drivers of Health reporting measure, from the ESRD QIP measure set beginning with Payment Year (PY) 2027.
- CMS includes two RFIs in the Proposed Rule, on: (1) The current state of health information technology (IT) use in dialysis facilities, including electronic health records, to further ongoing efforts to facilitate successful adoption and integration of Fast Healthcare Interoperability Resources[®] (FHIR[®]), FHIR-based technologies and standardized data for patient assessment instruments; and (2) Potential measurement concepts that could be developed into ESRD QIP measures in the future.

There is also an interesting dialogue around the termination of the ESRD Treatment Choices (ETC) Model, and a contrast with the Kidney Care Choices (KCC) Model, provided below.

ETC Model performance since 2021 has not been shown to enhance the quality-ofcare ETC regions on the key model measures of home dialysis modalities, transplant waitlisting, and living donor transplantation. The second Annual Evaluation Report (AR2) examined impacts of the ETC Model during calendar years CYs 2021 and 2022, which correspond to the first three model years (MYs) of the model. While AR2 showed home dialysis use continued to grow nationally, there was no evidence of faster growth

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within selected geographic areas relative to the comparison group of geographic areas not selected for the ETC Model. Further, for transplant-related measures, AR2 showed no evidence of a change in waitlisting rates in ETC areas relative to comparison areas. Increased rates of both home dialysis training and transplantation were only evident in CY 2021 and were not sustained in CY 2022.

Also of note is that the ETC Model has not reduced Medicare expenditures throughout the duration of the ETC model and in fact has increased expenditures. The AR2 evaluation preliminarily showed that net Medicare payments increased by \$56 million over the course of the model. The model was initially projected to show savings by decreasing payments for participants such that they would likely not be able to hit the required thresholds for performance in the ETC Model. However, due to stronger than expected increases in rates of home dialysis caused by factors other than the model and the effects of the improvement scoring methodology, managing clinicians and ESRD facilities performed better than expected and have received a net increase in payments.

In contrast to the ETC Model, CMS notes the "promise" of the KCC Model.

Results of the PY 2022 evaluation for the KCC Model demonstrate promising strides towards the aforementioned shared goals with the ETC model, and more specifically, a statistically significant increase in home dialysis rates for aligned beneficiaries in aggregate. Specifically, KCC participants increased the proportion of patients receiving PD in a given month by 2.3 percentage points. This statistically significant relative increase represents about 26 percent of the pre-KCC mean. Additionally, Comprehensive Kidney Care Contracting (CKCC) model participants increased the proportion of patients receiving PD in a given month by 0.74 percentage points. This statistically significant relative increase represents about 8 percent of the pre-KCC mean.

Comments on the 2026 ESRD PPS Proposed Rule are expected to be dues on or around August 29. If you have questions regarding the ESRD PPS or other payment rules affecting nephrology practice, please contact RPA's Director of Public Policy Rob Blaser at 301-468-3515 or rblaser@renalmd.org.

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JUNE 25, 2025

TX law significantly restricts non-compete agreements for healthcare professionals

Governor Greg Abbott signed <u>SB 1318</u> into law, restricting non-compete agreements for healthcare professionals, including dentists, nurses (APRNs, RNs, LVNs), and physician assistants. The legislation covers contracts entered into or renewed on or after September 1. The law limits the agreements to one year in duration, within a five-mile radius, and requires a buyout provision capped at the provider's annual salary at the time of termination. For physicians, the law includes additional protections, such as continued access to patient records, the right to treat patients during acute illness, mandatory written terms, and the voiding of non-competes if a physician is terminated without good cause. The changes supersede previous common law and also apply to related non-solicitation provisions. However, the law doesn't apply retroactively to agreements signed before the effective date and excludes administrative or equity-holding roles not involved in clinical care. As a result, healthcare employers in Texas must review and update their contracts to ensure compliance before the law takes effect this fall.

Source: Benesch Law

JUNE 26, 2025

<u>CMS Terminates KCF Model and Finalizes Significant Revisions to</u> <u>CKCC Participation and Payment Framework</u>

On May 28, 2025, the Centers for Medicare & Medicaid Services ("CMS") Innovation Center formally announced the early termination of the Kidney Care First ("KCF") model effective December 31, 2025, and issued a suite of substantial revisions to the remaining tracks within the Kidney Care Choices ("KCC") model. These developments mark a significant policy pivot aimed at reducing model-related Medicare losses, promoting financial sustainability, and transitioning value-based kidney care toward more scalable, entity-based structures.

Source: Benesch Law





JULY 1, 2025

CMS Launches WISeR Model: A Technology-Enabled Effort to Reduce Wasteful Medicare Spending

On June 27, 2025, the Centers for Medicare & Medicaid Services ("CMS"), through its Innovation Center ("CMMI"), released the Request for Applications ("RFA") for a new payment and service delivery initiative: the Wasteful and Inappropriate Service Reduction (WISeR) Model. This six-year demonstration project will test whether the use of advanced technology, particularly artificial intelligence ("AI") and machine learning ("ML"), can support CMS in identifying and reducing unnecessary spending on services provided to Medicare fee-forservice beneficiaries. Applications are due by July 25, 2025, and selected participants will begin operations on January 1, 2026, with the model running through December 31, 2031.

Source: Benesch Law

MAY 27, 2025

Three tracks of Kidney Care Choices Model extended one year; fourth ending in December

The CMS Innovation Center will extend the graduated, professional, and global options available under the Comprehensive Kidney Care Contracting umbrella to 2027 but will end the Kidney Care First option before year's end. The KCC Model, which began in 2022, aims to improve care for patients with CKD and ESRD through coordinated services and payment reforms. Despite quality improvements, including higher transplant and home dialysis rates, the model resulted in a \$304 million net loss to Medicare in 2023. As part of the extension, CMS is adjusting financial methodologies, reducing capitated payments, and eliminating transplant bonuses to improve sustainability. The remaining tracks under the Comprehensive Kidney Care Contracting model offer varying levels of financial risk and shared savings opportunities for nephrology-focused care entities.

Source: Fierce Healthcare

MAY 30, 2025

DaVita agrees with CMMI's decision to extend KCC model

DaVita responded positively to the Center for Medicare and Medicaid Innovation's decision to extend the Kidney Care Choices (KCC) model for an additional year. As a participant in the government's value-based care initiative, DaVita points out that the program's focus on comprehensive care and patient engagement is leading to improved health outcomes. DaVita expanded its value-based care arrangements to 22 Kidney Contracting Entities (KCEs), resulting in increased transplantation rates and more patients dialyzing at home. The company is committed to setting a new standard for kidney care through integrated care systems with nephrology partners.

Source: Street Insider

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JUNE 2, 2025

Vantive's five-year investment plan will focus on R&D

Vantive, formerly Baxter's kidney unit, is investing \$1 billion over five years to enhance its kidney care and vital organ support services. The funding will focus on R&D and manufacturing to address the growing burden of CKD and ESRD. Vantive will develop digitally enabled dialysis and critical care products to improve clinical decision-making, minimize care disruption, and enhance patient-care team connectivity. The company also plans to strengthen its digital support foundation, including VR training for clinicians and remote patient management.

Source: Vantive

JUNE 4, 2025

FDA approves system developed by Fresenius to simplify medical record access

Fresenius' updated 5008X CAREsystem is equipped with integrated clinical data exchange technology to simplify chairside access to medical records and streamline clinic workflows. The company will begin rolling out high-volume hemodiafiltration (HVHDF) therapy using this system at Fresenius Kidney Care clinics in the U.S. later this year, aiming for full-scale commercialization in 2026. HVHDF is widely adopted in Europe, so the approval marks an important milestone for U.S. patients. The FDA's decision was supported by a clinical trial showing a 23% reduction in mortality among patients receiving HVHDF compared to standard high-flux hemodialysis.

Source: Fresenius Medical Care

JUNE 5, 2025

Kidney transplants from standard-criteria donors don't always offer clear survival benefit over dialysis: Study

Researchers analyzed data from over 64,000 European patients on dialysis while waitlisted for a first deceased donor kidney transplant. They found that for kidney transplant recipients who received organs from standard-criteria donors there was a clear five-year survival benefit over dialysis. However, in patients aged 75 or older receiving lower-quality (expanded criteria) kidneys, especially those with CVD, the survival benefit was minimal or nearly lost. Early post-transplant mortality contributed to the reduced benefit in older, more medically complex patients.

Source: European Renal Association

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JUNE 9, 2025

Study finds number of nephrology fellowships, training positions increased, but fewer applicants

A study led by the Medical University of South Carolina analyzed trends in nephrology fellowship training from 2009 to 2024. It revealed that the number of fellowship programs increased by 27%, to 180, while the number of training positions grew by 33%, to 488. Over the same period, however, the number of applicants fell by 37% to 362. The researchers suggest that with more nephrology training positions going unfilled, it could lead to a shortage of kidney specialists in the U.S. To mitigate the issue, the field must be made more appealing for medical graduates. Ongoing tracking of match results is also needed to monitor the situation.

Source: CJASN

JUNE 11, 2025

Dialysis facilities serving low-income patients face fewer financial penalties under ETC model

Stratified benchmarks were added to the End-Stage Renal Disease Treatment Choices (ETC) model in 2022. ETC encourages home dialysis and transplant wait-listing and compares facilities with similar patient populations to reduce inequities in performance assessments. Before that change, facilities with more low-income or dual-eligible patients were penalized at higher rates, but after implementation, penalty rates between high- and low-risk facilities were nearly equal. The adjustment also reduced disparities based on race and profit status, though independent facilities continued to face higher penalties. The results suggest that stratified benchmarks protect safety-net providers from unfair financial burdens while promoting equitable care improvements.

Source: Healio (sub. rec.)

JUNE 13, 2025

AMA supports Senate bill reversing physician payment cut; apply 2% hike for H2

S.1640, introduced by Senator Roger Marshall, was endorsed by the American Medical Association, as it would not only undo a 2.83% cut in payments imposed on January 1 but also apply a 2% payment increase to the Medicare Physician Fee Schedule from June through December 2025. The AMA contends the bill is a temporary fix, but it is crucial for stabilizing physician practices facing inflation and continued financial strain after five straight years of payment reductions. Since 2001, Medicare payments to physicians have declined by 33% when adjusted for inflation, raising concerns about long-term access to care. The AMA and MedPAC are urging Congress to adopt structural reforms that tie payment updates to the actual cost of care delivery.

Source: Healthcare Finance





JUNE 17, 2025

Markets unimpressed by Fresenius Medical Care's financial targets

Fresenius Medical Care announced a \$1.1 billion buyback program and set new financial targets through 2030, including a goal to reach a mid-teens operating income margin. For this year, Fresenius expects operating income to grow by a "high teens to high twenties" percentage range, with a projected margin of between 11% and 12%. The company also aims to cut an additional \$345 million in costs over the next two years while budgeting annual capital expenditures of between \$921 million and \$1.1 billion between 2025 and 2030. Despite its plans, investor reaction was lukewarm and Fresenius' shares fell by 5.6% on Germany's blue-chip exchange.

Source: Reuters (sub. rec.)

JUNE 19, 2025

DaVita highlights progress toward patient care, environmental stewardship

DaVita's 2024 Community Care report highlights progress toward ESG goals across five areas. The company supported nearly 265,000 patients worldwide, facilitated a record 8,200 kidney transplants, and expanded educational programs. DaVita also invested in its workforce, with 84% of employees reporting a sense of belonging and over 147,000 volunteer hours logged. Environmental achievements included saving over 75 million gallons of water in 2024 and progressing toward matching all global operations with renewable energy by 2025. Community efforts delivered free health screenings and over 100,000 tailored meals to individuals with food and medical needs. DaVita emphasized strong corporate governance, with nearly all teammates completing compliance training and a highly independent board of directors.

Source: DaVita

JUNE 23, 2025

Research questions MA marketing practices directed at kidney patients

A study led by the Department of Health Services, Policy & Practice at Brown University highlights concerns about Medicare Advantage (MA) marketing practices affecting patients with end-stage kidney disease (ESKD). The research found that MA marketing is pervasive and misleading, especially during open enrollment. Dialysis providers note that marketing materials promise benefits but lack clarity on eligibility and network limitations, which are crucial for kidney patients. The authors state that those tactics can be life-threatening and restrict access to transplant centers, medications and specialist care. Patients often discovered post-enrollment that essential providers were no longer covered, impacting their treatment options.

Source: McKnights

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JUNE 23, 2025

Texas law grants residents under 65 with ESRD, ALS access to affordable Medigap insurance

The law ensures Medigap Plans A, B, and D will be priced the same as for those 65 and older, with all other plans capped at 200% of that rate. Dialysis Patient Citizens say the change addresses long-standing issues where younger patients face unaffordable premiums, sometimes as high as \$1,700 per month, despite their need for Medigap coverage. The bill received strong bipartisan support, marking a major win for patient advocates and restoring fairness for some of Texas's most medically vulnerable residents.

Source: Dialysis Patient Citizens

JUNE 24, 2025

Jaan Health Secures \$25M to Transform Care for Millions of Chronically III Patients

Jaan Health, the company behind the Al-powered proactive care platform <u>Phamily@</u>, announced it has secured more than \$25 million in funding to accelerate the transformation of between visit care for millions of patients struggling with chronic conditions. The financing was capped by \$15 million in non-dilutive growth capital from Level Structured Capital (an affiliate of Level Equity). Phamily is used by dozens of nephrology practices to transform chronic kidney disease management between visits with clinically-tested Al and easy-to-use software.

"Our growth funding will accelerate the value Phamily delivers to nephrology practices and the patients they serve,' says Chief Revenue Officer Darshan Bachhawat. "We're already working with large nephrology groups across the country who run large-scale Chronic Care Management (CCM) programs; this investment enables us to deepen our impact. We are committed to the long-term success of nephrology providers navigating the shift to value-based care, and this funding will enable us to make platform investments that further improve nephrology outcomes while reducing total cost of care."

Source: Jaan Health

JUNE 26, 2025

CMS alerts Medicare providers about phishing fax scam

CMS is reporting several complaints about fake faxes being sent to Medicare providers. The faxes purport to be from the agency and falsely claim to be part of a Medicare audit, demanding medical records, and threatening penalties like fines or revocation for noncompliance. CMS reminds the public that it never requests medical records for audits by fax and recommends that providers not respond to suspicious requests and contact their medical review contractor to confirm if it's legitimate.

Source: CMS.gov

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VAC, ASC and Office-Based Labs

MAY 28, 2025

Study finds surgeon salaries in private practice, outpatient settings surpass those in hospital settings

An analysis of over 213,000 U.S. medical practices reveals that surgeons in private practice earned 11% more than those in hospitals, with outpatient centers offering the highest average salaries at \$385,000. Overall, surgeons saw a 48% salary increase from 2013 to 2022 and consistently earned more than non-surgical physicians. The findings suggest private practice remains financially competitive and relevant despite more surgeons being employed in hospitals.

Source: Journal of the Society of Laparoscopic and Robotic Surgeons

JUNE 12, 2025

AMA will advocate Congress to separate high-cost OBL medical supplies from Medicare physician payments

A resolution was adopted at the AMA's House of Delegates meeting to address financial barriers in OBLs. It deals with the issue of Medicare payments, where OBLs must cover device costs within the physician's fee, unlike hospitals and ASCs that receive separate payments. The high cost of some equipment at OBLs can be greater than the payment from Medicare, meaning some procedures aren't profitable. The resolution calls for parity in the OBL payment schedule to ensure financial viability and continued delivery of cost-effective care.

Source: Cardiovascular Business

JUNE 17, 2025

Surgery Partners rejects Bain Capital's take-private offer

Surgery Partners couldn't reach an agreement with Bain Capital, its largest shareholder, to take the company private and will continue as an independent publicly traded company. Bain holds a 39% stake in Surgery Partners and had offered to buy the remaining shares in the company. Surgery Partners had also attracted interest from TPG and UnitedHealth Group. The company, which operates over 200 surgical and ancillary facilities in 33 states, will maintain its 2025 revenue forecast of \$3.3 billion to \$3.45 billion.

Source: Reuters (sub. rec.)

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

JUNE 19, 2025

Hartford HealthCare subsidiary applies to operate CT surgical center affiliated with SCA



HHC Surgery Center Holdings, affiliated with Hartford HealthCare, applied for a certificate of need (CON) to operate the Surgical Center of Connecticut in Bridgeport. The ASC, managed by Surgical Care Affiliates, offers procedures such as endoscopy and spinal surgery. The staff is affiliated with several hospitals, including Bridgeport Hospital and St. Vincent's Hospital. A CON is a state regulatory process wherein healthcare entities obtain state approval before making significant changes to their facilities or services.

Source: Becker's ASC Review

For more information regarding our nephrology, dialysis and office-based lab experience, or

if you would like to contribute to the newsletter, please contact:

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