



KIDNEYS R US

FROM THE
QIRN3 PATIENT ADVISORY
COMMITTEE

December 2010

UNDERSTANDING THE NEW MEDICARE RULES ABOUT DIALYSIS SERVICES AND PAYMENTS

(www.kidneyhealthcarecoverage.org)

Medicare is changing the way it will pay for dialysis starting in 2011. At that time, Medicare will “bundle” some things into dialysis payments that it pays for separately now, such as drugs and lab tests.

Congress required Medicare to develop a bundled payment system for dialysis services as part of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) in order to increase efficiency in dialysis care.

Since 1983, Medicare Part B has paid a flat “composite rate” for home dialysis or in-center dialysis and some lab tests. Today, Medicare Part B pays labs for tests that are not in the flat rate. It also pays clinics separately for drugs you receive during dialysis. Medicare Part D pays for other covered drugs you take by mouth at home.

Under the new “bundled system” the Centers for Medicare and Medicaid Services (CMS) will pay clinics more if they do fewer than 4,000 treatments per year in order to protect access to care at smaller dialysis centers. This includes rural clinics as well as those that just train and support home patients. Medicare will pay clinics more to care for patients who cost more to treat including those:

- Younger than 60 or older than 69;
- Who have larger bodies or who are underweight;
- Who have certain health conditions.

However, these changes in Medicare payment for dialysis cannot increase the total amount Medicare spends for dialysis services.

If you have an employer group plan as a primary or

secondary payer, it will pay based on how your policy is written. If you have questions about how your employer plan will pay for services that Medicare will bundle, talk with a representative from your insurance plan.

Each dialysis clinic will have to figure out how to operate within the new payment system. No one knows how payment changes will affect people like you, if at all. Changes may not happen right away. Some clinics may choose to change to the new system on January 2011. Others can choose to phase into the new system over the next 3 years. The full impact of bundling may not be known for many years.

One possible change is how anemia is treated with epoetin (EPO) or darbepoetin (DPO). Your nurse may inject this kind of drug under the skin instead of giving it to you by IV, because some data suggest that smaller doses of the drug are required that way. You may get a different kind or amount of iron or vitamin D. You may get iron or Vitamin D by mouth instead of by IV.

Some prescribed drugs you get now by injection or IV at dialysis, your clinic may give you to take by mouth at home. This includes Vitamin D products, iron, and levocarnitine. Medicare will add 49 cents per treatment to your clinic’s bundled payment to cover the cost of these drugs. Medicare Part B will pay for them instead of Medicare Part D. Medicare planned to include other oral drugs, which do not have an injectable or IV version, in the bundle. However, Medicare decided to delay adding

these drugs to the bundle until January 1, 2014. This will provide additional time to evaluate the need to monitor patient conditions treated with oral-only drugs.

You will need to keep your Medicare Part D plan to get drugs that are not in the bundle. This includes drugs for high blood pressure, diabetes, heart disease and other conditions. Unless you are eligible for Medicare Part D's "full extra help", you still will have to pay the Medicare Part D premium, co-pays, and coinsurance. If you have an employer plan and the drug coverage under that plan is at least as good as coverage under Medicare Part D, you may not need Part D to cover drugs for high blood pressure, diabetes, heart disease, etc. See Frequently Asked Questions (FAQs) about Medicare Prescription Drug Coverage (Part D) posted on: <http://www.kidneyhealthcoverage.org/>

Medicare will pay dialysis clinics for a few extra dialysis-related lab tests under the bundle. You did not have a co-pay for these lab tests previously. Medicare estimates this could increase your out-of-pocket costs 1.2 percent. If you have other insurance, you may not see any change. In fact your total out-of-pocket costs could be lower because of bundling. Medicare will still pay separately for other tests that are not related to dialysis even if your dialysis clinic draws your blood for them. You will not have to pay the Medicare Part B coinsurance for these extra lab tests. Allowing dialysis clinics to do

these extra lab tests and paying labs for them may keep you from having to go to another doctor, clinic, or lab, thus saving you time and money. This policy should help your dialysis team stay on top of your total health care needs better.

New Medicare dialysis regulations that took effect October 14, 2008 offer many patient protections. These include a patient bill of rights, the requirement for an individualized patient plan of care, based upon a comprehensive assessment of the specific patient's needs, and developed with opportunity for participation by the patient or the patient's designee. Medicare also has promised it will monitor patient access to dialysis and quality of dialysis care under the new bundled payment system starting January 1, 2011.

MIPPA required Medicare to set up a "quality incentive payment" program for dialysis clinics. This will be Medicare's first "quality incentive program (QIP)." It will start in 2012. Medicare will pay your dialysis clinic up to 2% less per treatment if standards for anemia treatment (hemoglobin levels) and dialysis adequacy (Kt/V) are not met. When the Quality Incentive Program is working fully, your clinic will get a certificate from the U.S. Department of Health and Human Services (HHS) that it must display in patient areas. The certificate will show your clinic's total performance score. You will be able to look up other clinics' scores on Medicare's Dialysis Facility Compare website at www.medicare.gov/dialysis

HAPPY HOLIDAYS

May peace fill all the empty spaces around you
and in you, may contentment answer all your wishes.

May comfort be yours, warm and soft like a sigh.

And may the coming year

show you that every day is really a first day,

a new year.

-- Author Unknown



Best wishes from the Patient Advisory Committee to all our fellow patients for a happy holiday season. We wish you all peace and good days in the coming year.

Happy New Year 2011

JOIN THE PAC TODAY!

The Patient Advisory Committee (PAC) consists of patients from dialysis facilities in our ESRD Network # 3. The committee develops the patient newsletter and promotes educational materials for ESRD patients. The PAC members have a genuine concern for the quality of care issues and encourages patients to be involved in their healthcare, share skills and experience, and attend meetings. Call toll free 1-888-877-8400 and join the PAC!

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