USRDS: Impact of the Bundled Payment System; ADR Highlights and History of Bundled payments

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Trends in ESRD Patient Counts 1988-2010
Adjusted incident rates of ESRD & annual percent change

Figure 1.2 (Volume 2) USRDS 2012 ADR

Mean monthly hemoglobin after initiation, by year

Figure 2.4 (Volume 2)

Incident dialysis patients.
Mean EPO dose per week after initiation, by year

Figure 2.5 (Volume 2)

Incident dialysis patients, adjusted for inpatient days.
Change in adjusted all-cause & cause-specific hospitalization rates, by modality

3.1 (Volume 2) USRDS 2012 ADR

All-cause rehospitalization or death within 30 days after live hospital discharge in patients age 66 & older, by population, 2010

Figure 3.10 (Volume 2)

January 1, 2010 point prevalent Medicare patients age 66 & older on December 31, 2009.
Adjusted all-cause mortality rates (from day 90), by modality & year of treatment

Figure 5.1 (Volume 2)

History of Bundled payment systems for dialysis

- 1983 first bundled composite rate payment system-rate set using 1977, 78, 79 data
  - $128/treatment for independent facilities-100% of defined costs
  - $132/treatment for hospital based facilities-105% of defined costs
- Routine laboratory services, all dialysis services and facility costs of operation
- Modality mix: independents: home 10.5%; Hospital-based: Home 23.5%; Mean Home: 17%
Incentives in the first composite rate

- “Section 2145 of Pub. L. 97-35 gives preference to a rate-setting method that combines two components—the cost of in-facility dialysis and the cost of home dialysis”
- “The composite rate would promote home dialysis reimbursing at the same rate as the more expensive in-facility dialysis”
Dialysis Bundle payment: 1983 vs 2011

**Old bundled system**
- Dialysis procedure labor & supplies (HD/PD paid the same)
- Monthly routing labs: K, Ca, PO4, Creat, CO2, AST, BUN, KT/V, CBC, INR

**Outside Bundle**
- Injections: ESAs, IV Fe, IV Vitamin D, Antibiotics, Carnitine
- All other lab tests for CVD, DM, risk factor monitoring, cultures, PRAs for Tx

**New Bundle with adjusters**
- Same as old plus
- All dialysis labs done by nephrologists
- All injections included (ESAs, Vit D, IV Fe, Carnitine, Antibiotics, cultures)
- PO medications: Fe, Vitamin D
  - Sensipar and phosphate binders by 2014
Medicare New Bundled Dialysis Prospective Payment System: final base rates

- $229.63 per treatment for 2011;
- $234.81 for 2012;
- $240.88 for 2013
Adjusters to 2011 Base rate: $229.63/Trt

- **Low volume adjustment:** 1.202
  - <4000 treatments x 3 years
- **Onset of dialysis ≤4 months:** 1.51
- **Acute: current month + 3 months**
  - Pericarditis: 1.114
  - Bacterial pneumonia: 1.135
  - GI bleed with hemorrhage: 1.183
- **Chronic: added on the current month until death or Tx**
  - Hereditary hemolytic or sickle cell anemias: 1.072
  - Myelodysplastic syndrome: 1.099
  - Monoclonal gammopathy: 1.024

USRDS Special Study ASN Nov 2012
New “Bundled” Prospective Payment System in the US: Incentives-1

- The per treatment payment is equal across the different dialysis modalities to encourage less costly alternative (same principle as 1983)
- Incident patients have a 51% higher payment in the first 4 months
- Daily Home Hemodialysis is paid at the same rate with medical justification for the extra runs of 4-7 days per week
  - This therapy may be disadvantaged under the PPS since training takes longer
  - Generally not the first modality
Incentives for incident patients-2

- Medicare rules for incident patients.
  - Those 65+ years of age are eligible from day 1 of ESRD
  - Those <65 years have a 90 day waiting period before Medicare eligibility.
    - Secondary insurers, such as private Gap insurers, must pay within the first 90 days
    - Medicaid covers the first 90 days in the dual eligible population
  - EGHPs are primary payer with Medicare Secondary for the first 30-33 months of ESRD.
Medicare coverage for home dialysis pays from day 1 for all patients under age 65 years old.

- Home dialysis payment from day 1 also has a 51% higher payment in the current month of enrollment and for 3 additional months (2014: $240+120=$360/run)
- Home training payments are added to the usual run payments at $33.44/per run, except in the first 4 months
- PD patient training runs are billed at in-center HD rate
  - CAPD training is for 15 runs (total $5,400)
  - CCPD training is for 25 runs (total $9,000)
- Home hemodialysis training is for 25 runs (total $9,000)
Data Used to Assess the new bundled payment system

- Quarterly Standard Analysis Files (QSAFs): Concurrent final action claims for services
- Timing of the cut of the data is subject to delayed reporting of service claims!
- Incident patient data is delayed based on reporting of the Medical Evidence Form 2728 which is used to find the dialysis patients (Crown-SIMS registration file)
Defining Incident patients in the quarterly finder files

Number of incident patients with at least 1 dialysis claim in the month

- 2009
- 2010
- 2011Q2
- 2011Q3
- 2011Q4

Count

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---
0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 0   | 5000

5000 | 10000 | 15000 | 20000 | 25000 | 30000 | 35000 | 40000 | 45000 | 50000
Defining patients in the QSAF files: Finder files from Crown-SIMS census data
## Distribution of providers opting into the new dialysis composite rate

### Table 10.a (Volume 2)

<table>
<thead>
<tr>
<th>Provider</th>
<th>Number of facilities</th>
<th>Number opting for bundle</th>
<th>Percent of facilities</th>
<th>Percent of patients</th>
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</thead>
<tbody>
<tr>
<td>All providers</td>
<td>6,167</td>
<td>5,285</td>
<td>85.7</td>
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<tr>
<td>DaVita</td>
<td>1,609</td>
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<td>DCI</td>
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<td>Fresenius</td>
<td>1,765</td>
<td>1,757</td>
<td>99.5</td>
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<td>Hospital-based</td>
<td>571</td>
<td>337</td>
<td>59.0</td>
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<tr>
<td>Independent</td>
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<td>78.4</td>
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<td>SDO</td>
<td>619</td>
<td>574</td>
<td>92.7</td>
<td>92.3</td>
</tr>
</tbody>
</table>

Period prevalent dialysis patients 2010–2011; only facilities defined as opting in the new bundle are included.
Monthly Medicare Prevalent Counts - All HD
ESRD Patients with OP dialysis claims

HD Growth Jan 10 - Dec 11: 7.2%

Monthly Medicare Prevalent Counts - All PD
ESRD Patients with OP dialysis claims

PD Growth Jan 10 - Dec 11: 15.7%
Conclusions

- The new Bundled Payment system for dialysis has led to providers changing practices.
- Peritoneal dialysis growth was twice that of HD growth but HHD growth has slowed.
- The details of the changes will be presented by Drs. Gilbertson and Foley with Dr. Ishani showing new data on vascular access.

*Limitation of data are very important*

- Data cut early in a QSAF year are dramatically under reported such that caution is needed.
- Delayed incident patient counts are very important.
- Delayed hospitalization data must be considered.