ASN DIALYSIS ADVISORY GROUP

ASN DIALYSIS CURRICULUM
FINANCIAL CONSIDERATIONS AND HOME DIALYSIS IN THE ERA OF THE BUNDLING: Part 1

John Burkart, MD
Professor of Medicine/Nephrology
Wake Forest University Medical Center
Chief Medical Officer
Health Systems Management
DISCLOSURES: current position (6/1/2014)

Professor of Medicine/Nephrology at Wake Forest University

CMO Health Systems Management

• Manages 19 outpatient dialysis units
  • 16 at Wake Forest University
  • 3 at Emory University

In Past, I had been medical director for 16 units

• Since CFC now medical director for 1 unit
  • Approved for 60 stations
  • Includes Home unit
Outline (Part 1)

Home therapy reimbursement in the bundle

Monthly capitation payment
ESRD REIMBURSEMENT and HOME THERAPIES in the BUNDLE

**MD** - fee for service and monthly MCP

**Hospital** - DRG with adjusters
  *Had included access related costs

**Dialysis unit** -
  *Bundled rate for all
  *Other Misc.
Monthly Capitation Payment (MCP) BILLING

Historically Physicians were paid one monthly rate,
• no specific documentation or # visits needed.

CMS changed reimbursement - now activity related:
• Now based on number of visits for CHD (up to 4/ month)
• A monthly fee for PD
• To bill for the “comprehensive” monthly component
  • The “MCP” MD must do a visit, exam and lab review
  • Without the “comprehensive” visit you can not bill anything
  • These do not need to all occur during some visit but must be by the same (one) person
• Other group members (PA, NP, MD) can count for visits 2-4
CMS PHYSICIAN-RELATED REIMBURSEMENT FACTORS WHICH FAVOR HOME DIALYSIS

HOME DIALYSIS MCP PAYMENTS:
• If Medicare eligible but not a participant, CMS starts paying for the entire month dialysis starts (i.e. day 1) vs waiting 90 days
• $500 training fee
• Monthly payment (CPT 90966) for just one visit
  • About the same dollar amount as CHD 2 or 3 visit charge

BUT WITH CENTER HD:
• You can see many patients at once
• Have the potential to make more/month (if 4 visits)
### MCP REIMBURSEMENT
Based on Pay for North Carolina

<table>
<thead>
<tr>
<th>CPT Code</th>
<th># of visits</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>90960</td>
<td>4</td>
<td>$294.96</td>
<td>$285.00</td>
<td>$277.58</td>
<td>$272.00</td>
<td></td>
</tr>
<tr>
<td>90961</td>
<td>2 or 3</td>
<td>$237.07</td>
<td>$234.39</td>
<td>$228.23</td>
<td>$226.25</td>
<td></td>
</tr>
<tr>
<td>90962</td>
<td>1</td>
<td>$170.70</td>
<td>$175.28</td>
<td>$170.58</td>
<td>$171.90</td>
<td></td>
</tr>
<tr>
<td>90966</td>
<td>HOME</td>
<td>$235.96</td>
<td>$233.03</td>
<td>$226.93</td>
<td>$225.30</td>
<td></td>
</tr>
</tbody>
</table>

Zero sum game – as number of patients with ESRD increase, payment amounts decrease
OTHER FINANCIAL ISSUES
For those patients who are Medicare-eligible but not a participant

What if patient is: non insured, less than 65
No medicare payments for 3 months:

<table>
<thead>
<tr>
<th>Payment</th>
<th>PD/HHD</th>
<th>CHD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1</td>
<td>$500 + monthly</td>
<td>0</td>
</tr>
<tr>
<td>Month 2</td>
<td>monthly</td>
<td>0</td>
</tr>
<tr>
<td>Month 3</td>
<td>monthly</td>
<td>0</td>
</tr>
<tr>
<td>So by end of month 3</td>
<td>+1176 vs.</td>
<td>0</td>
</tr>
<tr>
<td>Month 4 to 24</td>
<td>monthly</td>
<td>1,2/3, or 4*</td>
</tr>
</tbody>
</table>

* = ($272 vs. 225.30/month based on # visits)

In 2013 ---- HD $272/month vs PD (1st 3 months then 225.30/month+500 = 1176)
At $46.70/month difference, it would take 25 months of 4 visits/month on HD
to catch up to PD with one visit every month!!!
PD CATHS and the NEPHROLOGIST

PD catheter placement
• Increased trend on having Nephrologist (IN) or interventional radiologists (IR) place the catheters
• Recent increase in reimbursement for this

Exteriorizing Catheter if using Moncrief-Popvavich catheter approach
• Billing 49436
MCP PAYMENT - FYI

Possible/Projected Further modifications of bundle

• There is some movement to have entire MCP payment included in the Bundle payment to the provider and then have provider reimburse physicians
• As of 2014 not in Bundle
ESRD REIMBURSEMENT and HOME THERAPIES in the BUNDLE

Dialysis Unit/Providers

Historical Payments:
• Composite rate, plus
• Injectables, plus
• Other Misc.

Current Payment:
• The bundled amount
COSTS of the MEDICARE & ESRD PROGRAMS  Figure 11.2 (Volume 2)

Overall rate of rise of cost for Medicare > rate of rise for ESRD

Overall ESRD about 6.2% of medicare spending

Total ESRD cost > 20 Billion

Costs (inflated by 2 percent) include estimated costs for HMO & organ acquisition; includes Part D
Total Medicare spending for injectables
USRDS 2012 Figure 11.9 (Volume 2)

Period prevalent dialysis patients.
MONTHLY PER PATIENT COST TO CMS FOR SERVICES

Period prevalent dialysis patients; non-Medicare, Medicare HMO, & Medicare as secondary payor patients excluded. As-treated model.

USRDS 2008 Fig 11.18, Vol 2
Total Medicare ESRD expenditures per person per year (PPPY), by modality

USRDS 2011 Figure 11.7 (Volume 2)
ACCESS RELATED EXPENDITURES
Per person per year (PPPY) costs, by access type

USRDS Figure 11.18, Vol#2 - 2010

Dialysis patients from the 1999-2008 ESRD CPM data with Medicare as primary payor & vascular access data. Intent-to-treat model. Vascular access type in use in December prior to cost years 1999-2008. Costs include “pure” inpatient & outpatient claims & physician/supplier access costs.
Mean EPO Dose/Week, 2010

Report by year, modality, & initial hemoglobin

Incident dialysis patients with a first EPO claim within the first 30 days of ESRD start date & at least one EPO claim in each of the first six months. Graphs by modality, 2007-2008 combined. Hemoglobin group determined by patient's hematocrit on the Medical Evidence form. EPO doses adjusted for inpatient days.

USRDS report 2010: Figure 5.5, Vol 2
See Financial Considerations: Part 2 for...

Dialysis facility payments

CMS and “the bundle”