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Main header

- [About Us](#)
- [Newsroom](#)
- [Data & Research](#)

HHS To Transform Care Delivery for Patients with Chronic Kidney Disease

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- [Innovation models](#)

Today, delivering on President Trump's Advancing American Kidney Health Executive Order, the U.S. Department of Health and Human Services (HHS) Secretary Alex Azar and Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma announced five new CMS Center for Medicare and Medicaid Innovation payment models that aim to transform kidney care so that patients with chronic kidney disease have access to high quality, coordinated care. The proposed required End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model would encourage greater use of home dialysis and kidney transplants for Medicare beneficiaries with ESRD in order to preserve or enhance their quality of care while reducing Medicare expenditures, and the Kidney Care First (KCF) and Comprehensive Kidney Care Contracting (CKCC) Models will test new Medicare payment options that aim to improve the quality of care for patients kidney disease.

"President Trump is tackling the toughest issues in American healthcare, and few areas need reform more than the way we treat kidney disease," said HHS Secretary Alex Azar. "Decades of paying for sickness and procedures in kidney care, rather than paying for health and outcomes, has produced less-than-satisfactory outcomes at tremendous cost. Through new payment models and many other actions under this initiative, the Trump Administration will transform this situation and deliver Americans better kidney health, more kidney treatment options, and more transplants."

The current Medicare payment system encourages in-center hemodialysis as the default treatment for patients beginning dialysis. According to the Government Accountability Office, in-center hemodialysis is the most common type of dialysis and was used by about 88 percent of dialysis patients in 2016. There are more than 430,000 Medicare Fee-for-Service beneficiaries with ESRD who spend an average of 12 hours a week receiving in-center hemodialysis. Many beneficiaries with ESRD suffer from poorer health outcomes, such as higher hospitalization and mortality rates, often the result of underlying disease complications and multiple co-morbidities.

"The way we currently pay for chronic kidney disease and kidney failure isn't working well for patients," said CMS Administrator Seema Verma. "Under President Trump's leadership, we are focused on strengthening Medicare and protecting the program for

the individuals it was intended to serve. These historic initiatives aim to improve the quality of life for kidney disease patients by preventing disease progression, encouraging transplants over dialysis, and if dialysis is needed, more convenient home based dialysis to improve health outcomes.”

The proposed ETC Model would adjust certain Medicare payments to ESRD facilities and clinicians managing ESRD beneficiaries (Managing Clinicians) that are selected for participation in the model, through upward or downward payment adjustments based on their home and transplant rates to increase utilization of home dialysis and rates of kidney and kidney-pancreas transplants.

One of the goals of the proposed ETC model is to give ESRD beneficiaries the freedom and choice of ESRD treatment that best works with their lifestyles. For example, if a beneficiary chooses home dialysis, they would have greater flexibility to adjust the hours and frequency of their treatment. Under the proposed ETC Model, CMS would make certain payment adjustments that would encourage participating ESRD facilities and Managing Clinicians to ensure that ESRD beneficiaries have access to and receive education about their kidney disease treatment options. Specifically, CMS would positively adjust certain Medicare payments to participating ESRD facilities and Managing Clinicians for the first three years of the model for home dialysis and dialysis-related services.

Under the proposal, CMS would require certain ESRD facilities and Managing Clinicians to participate in the ETC Model based on their location in randomly selected geographic areas. Participating ESRD facilities and Managing Clinicians would account for approximately 50 percent of adult Medicare beneficiaries with ESRD across the country. The proposed ETC Model would include protections for both beneficiaries and participating ESRD facilities and Managing Clinicians. To avoid penalizing ESRD providers with sicker patients, the model would risk adjust the home dialysis and transplant rates used for purposes of the performance payment adjustments.

Beneficiaries would maintain freedom of choice among healthcare providers, and would not see a change in their Medicare cost-sharing. All current beneficiary protections under Original Medicare would be maintained for beneficiaries under the proposed ETC model. The payment adjustments under the proposed ETC model would begin January 1, 2020, and end June 30, 2026.

CMS is also announcing four optional models: The Kidney Care First (KCF) Model and the Comprehensive Kidney Care Contracting (CKCC) Graduated, CKCC Professional, and Global Models – that are designed to help health care providers reduce the cost and improve the quality of care for patients with late-stage chronic kidney disease and ESRD. These Models also aim to delay the need for dialysis and encourage kidney transplantation.

In the KCF Model, participating nephrology practices will receive adjusted fixed payments on a per-patient basis for managing the care of patients with late-stage

chronic kidney disease and patients with ESRD. The payments will be adjusted based on health outcomes and utilization compared to the participating practice's own experience and national standards, as well as performance on quality measures. In addition, participating practices will receive a bonus payment for every patient aligned to them that receives a kidney transplant based on the transplant remaining healthy for up to three years after the surgery.

The CKCC Models include the Graduated, Professional, and Global Models—in which capitated payments will be similar to the capitated payments under the KCF Model, but the Kidney Contracting Entities – which consist of nephrologists, transplant providers, and other health care providers including dialysis facilities – will take responsibility for the total cost and quality of care for their patients, and in exchange, can receive a portion of the Medicare savings they achieve.

The KCF and CKCC Models are expected to run from January 1, 2020, through December 31, 2023, with the option for one or two additional performance years, at CMS's discretion.

More information on the proposed model is available at:

<https://innovation.cms.gov/initiatives/esrd-treatment-choices-model/>

The ETC Model is part of a CMS proposed rule on specialty care models (CMS-5527-P), which can be viewed at: <https://www.hhs.gov/sites/default/files/CMS-5527-P.pdf>

For a fact sheet on the proposed mandatory Kidney Model (ETC) please visit:

<https://cms.gov/newsroom/fact-sheets/proposed-end-stage-renal-disease-treatment-choices-etc-mandatory-model>

For a fact sheet on the proposed voluntary Kidney Models (KCF and CKCC) please visit: <https://cms.gov/newsroom/fact-sheets/kidney-care-first-kcf-and-comprehensive-kidney-care-contracting-ckcc-models>

For a fact sheet on the CMS Radiation Oncology Model, also being announced today, please visit: <https://cms.gov/newsroom/fact-sheets/proposed-radiation-oncology-ro-model>

More information on the models is available at:

<https://innovation.cms.gov/initiatives/voluntary-kidney-models/>

For more information on HHS's Kidney Initiative please visit:

<https://www.hhs.gov/about/news/2019/07/10/hhs-launches-president-trump-advancing-american-kidney-health-initiative.html>

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