

Improving Medicare’s end-stage renal disease prospective payment system

ISSUE: There is concern about two aspects of the ESRD prospective payment system (PPS): the transitional drug add-on payment policy (TDAPA) and the adjustments to the base rate for facilities with low treatment volume and located in rural areas.

KEY POINTS: Based on the Commission’s discussion at the April 2019, October 2019, and January 2020 meetings, we will discuss policy options to eliminate the expanded TDAPA for new ESRD injectable drugs that are in an existing ESRD functional category. We will also discuss an option to better target payments for low-volume facilities that are isolated.

ACTION: Commissioners should be prepared to discuss these issues in anticipation of the Chairman’s draft recommendations being presented at the March meeting.