

Assessing payment adequacy and updating payments: Outpatient dialysis services

ISSUE: By law, each year the Commission is required to review Medicare payment policies and to make recommendations to the Congress. The Commission asks whether payments for outpatient dialysis services are adequate and how they should be updated in 2021.

KEY POINTS: At this meeting, we will examine information about the adequacy of current aggregate outpatient dialysis payments. We will look at information about:

- Access to care: supply of providers and volume of services
- Quality of dialysis care
- Access to capital
- Medicare payments and costs.

ACTION: Commissioners will review the findings and vote on the draft payment update recommendation.

Improving the ESRD PPS: Refining the transitional drug add-on payment adjustment

ISSUE: As mandated by statute, in 2016, CMS established a policy that pays a transitional drug add-on payment adjustment (TDAPA) for new ESRD-related drugs and biologics that do not fit into one of eleven ESRD functional related categories of drugs included in the ESRD bundle since 2011. In the 2019 and 2020 rulemaking process, CMS expanded the TDAPA to include new ESRD products—including biosimilars—approved by the FDA on or after January 1, 2020, that treat a condition for which there is an ESRD-related functional category. CMS also extended the TDAPA to functional categories of drugs that were, before 2011, paid under the prior ESRD payment system’s prospective payment. The expanded TDAPA policy will not apply to new generic drugs and certain other drugs.

KEY POINTS: Based on the Commission’s discussion at the December 2019 meeting, we will discuss policy options to improve the expanded TDAPA for new ESRD injectable drugs that do not fit into an existing ESRD functional category.

ACTION: Commissioners will discuss approaches to improve Medicare’s payments for new drugs and biologics.