



Advising the Congress on Medicare issues

Assessing payment adequacy: Outpatient dialysis services

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Overview of the outpatient dialysis sector in 2009

- About 340,000 dialysis beneficiaries
- More than 5,000 dialysis facilities
- Medicare spending on dialysis and dialysis drugs was \$9.2 billion

Q & A from the December meeting

- Accounting for new ESRD-related medical innovations under the new payment method
 - According to MIPPA, the payment bundle can include other services that are furnished to individuals for the treatment of ESRD
- Physician disclosure
 - Physicians can have financial interests in dialysis facilities
- Collecting information on patient satisfaction
 - Adult in-center CAPHS instrument is available, but no systematic reporting of information

Q & A from the December meeting

- Benefits of pre-ESRD care
 - Includes educating patients about treatment options and better management of chronic kidney disease
 - According to researchers, early referral to a nephrology team is associated with increased use of home dialysis and AV fistulas, and improved clinical outcomes
- Distribution of travel distance for new FFS dialysis beneficiaries

Q & A from the December meeting

- Including additional renal-specific outcomes to quality analysis
 - Substantial proportion of all hospitalization are renal-related
 - One-year survival relatively unchanged; higher for African Americans and patients of other race than whites
 - AV fistula patients have a lower rate of declotting procedures than graft patients; catheter patients have the highest rate of sepsis compared to fistula and graft patients

Adequacy measures are generally positive

- Supply and capacity of providers
 - Net increase in the number of facilities and dialysis stations
- Volume of services
 - Growth in dialysis treatments matches beneficiary growth
 - Volume of dialysis drugs increasing including ESAs
- Beneficiaries' access to care
 - Few facility closures in 2009—linked to size and profitability—disproportionately affected selected beneficiary groups
 - Distance traveled to dialysis facility has remained unchanged between 2004 and 2008

Median distance to dialysis facility has remained stable between 2004 and 2008

	2004	2006	2008
	Median value (25 th percentile to 75 th percentile)		
All	6.1 miles (2.9–13.2)	6.1 miles (3.0–13.3)	6.0 miles (2.9–12.8)
Elderly	5.6 (2.8–12.0)	5.9 (2.9–12.3)	5.8 (2.8–11.9)
African American	4.9 (2.5–9.8)	4.9 (2.5–10.0)	4.9 (2.5–9.6)
Dually eligible for Medicare and Medicaid	5.8 (2.7–12.9)	5.7 (2.9–13.2)	5.6 (2.6–12.4)
Rural	11.0 (3.3–22.2)	10.8 (3.6–21.7)	10.4 (3.2–21.4)

Adequacy measures are generally positive

- Quality
 - Some measures high or improving: dialysis adequacy, use of AV fistulas
 - Others need improvement: kidney transplantation, hospitalization, mortality
- Access to capital
 - Independent investor analysts suggests access to capital is good