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**New Data Show That Most Kidney Care Providers Will Participate Fully in
New Medicare "Bundled" Payment System**

*Providers Call on Government Officials to Set Payment Levels Based on Actual
Number of Facilities, Rather Than Estimates*

WASHINGTON, D.C. (November 3, 2010) – The Kidney Care Council (KCC), a nonprofit national health care association composed of leading kidney dialysis provider companies who care for a majority of ESRD patients nationwide, released new data today revealing that 98 percent of kidney care providers participating in a recent study have opted to participate in the new Medicare “bundled” payment system in January 2011, more than twice the rate originally anticipated.

“The number of facilities participating in the new PPS payment system is significant and we encourage Congress and the Centers for Medicare and Medicaid Services to correct the transition adjuster as soon as possible,” said KCC Chairman Christopher Ford. “A seamless transition to the new reimbursement system will ensure that patients have continued access to high quality care, and we encourage government officials to use their authority to revise the transition adjuster effective January 1, 2011.”

Congress established this “transition adjuster” to ensure budget neutrality in the new End Stage Renal Disease (ESRD) bundled payment system. To calculate the adjuster, which is a 3.1 percent reimbursement rate reduction, CMS estimated that 43 percent of facilities would opt out of the transition period and choose to be paid under the new payment system by the November 1 election deadline. Now that the deadline has passed and the actual number of facilities opting out is available, CMS should use this data to avoid an unintentional cut to reimbursement.

KCC is now calling attention to a new study by The Moran Company which finds that, of the 4,449 facilities that participated, 98.0 percent are opting to be paid fully under the new PPS in 2011. Based on this information, and assuming the CMS behavioral methodology for those facilities that did not participate, Moran projects that 90.4 percent of all facilities will select to be paid fully under the new PPS in 2011.

Using this 90.4 percent figure, The Moran Company estimates that in order to maintain budget neutrality, the transition adjuster should be approximately 0.39 percent rather than the proposed 3.1 percent.

“If the transition adjuster is not revised,” Ford said, “funding for dialysis care will be cut by approximately \$250 million threatening patients’ access to quality care.”

Last week, eight U.S. Senators sent a letter to CMS Administrator Donald Berwick, MD, also raising concerns that the current transition adjuster might have a negative impact on patients and

access to quality care if not addressed.

The new prospective payment system for dialysis providers was passed by Congress as part of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) in July, 2008, and was the first major overhaul of Medicare's End-Stage Renal Disease system since it was established more than three decades ago.

“We appreciate CMS staff’s dedication, time and efforts in developing and implementing the new bundled payment system, and we look forward to ensuring a seamless transition to this new system by encouraging Congress and CMS to correct the adjuster immediately using the most up-to-date information,” Ford added.

Collectively, the KCC members provide End Stage Renal Disease (ESRD) services to more than 85 percent of all dialysis patient visits in the United States. The membership includes large, small, urban, suburban, nonprofit and for-profit provider companies.

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