

Advancing American Kidney Health
New Payment Models
Kidney Care Choices

Andrew D. Howard, MD, FACP
Past-President, Forum of ESRD Networks

Advancing American Kidney Health – July 10, 2019

- **Principal Goals:**
 - Reduce incidence of ESRD by **25%** by **2030**
 - **80%** incident ESRD patients receive home dialysis or preemptive kidney transplant by **2025**
 - **Double** the number of kidneys available for transplant by **2030**
 - Standardize organ procurement procedures
 - **CMS-3380-F, 12/2/2020 (Implementation 8/1/2022)**
 - Remove Financial Disincentives to Living Organ Donation
 - **Final Rule, 9/22/2020 (Effective: 10/22/2020)**
 - ESRD Treatment Choices Learning Collaborative (ETCLC)
 - **↑ DD kidneys transplanted (7%), ↓ national discard rate high KDPI (≥ 60) kidneys (5%), ↑ recovery high KDPI (≥ 60) kidneys (7%), 2022/2023 vs 2021**
 - CMS RFI - Health and Safety Requirements for Transplant Programs, Organ Procurement Organizations, and End-Stage Renal Disease Facilities
 - **CMS-3409-NC, 12/3/2021**
- **Secondary Goals:**
 - Encourage the development of the artificial kidney
 - **Restructure payment models to incentivize prevention, home dialysis, transplantation**

Looking Back – Comprehensive ESRD Care Model (CEC) Key Points and Outcomes

- **Key Points**

- Alignment through Dialysis Facility
- 99% Participants – Nephrologists & Dialysis Facilities
- Benchmarking – Retrospective, Black Box
- Shared Savings/Losses adjusted by performance on quality metrics

- **Timeline**

- October 2015 – March 2021

- **Outcomes**

- \$85 PBPM decrease in Medicare Part A/B spending
- 3% decrease in hospitalizations
- 6% decrease in LTC use
- 0.4% increase in OP dialysis

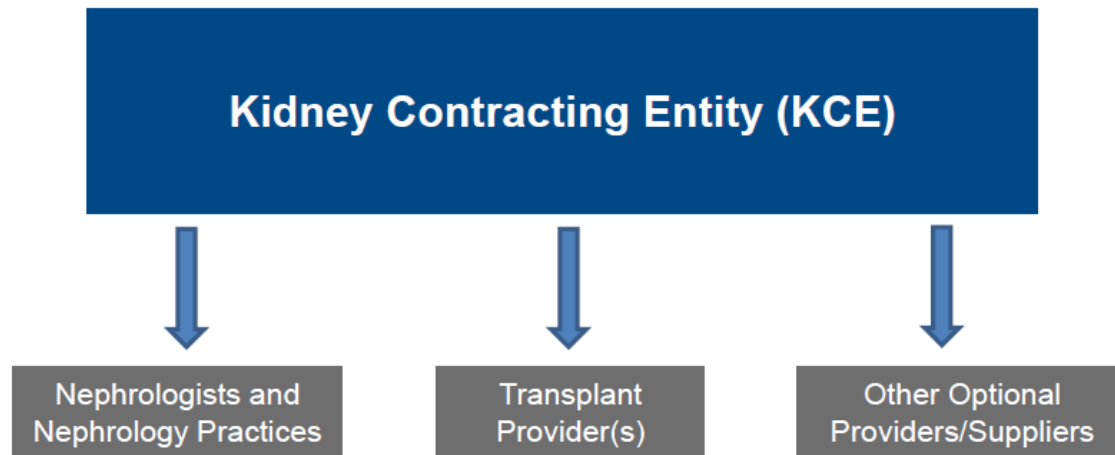
AAKH Models Overview

Model	ESRD Treatment Choices (ETC)	Kidney Care Choices (KCC)	
		Kidney Care First (KCF)	Comprehensive Kidney Care Contracting (CKCC)*
Type	Mandatory	Voluntary	
Participants	Nephrology Provider Dialysis Facilities	Nephrology Providers	Nephrology Providers Transplant Providers Dialysis providers(Optional)
Beneficiaries	Dialysis Patients Only (Medicare primary & MSP)	CKD 4/5 and Dialysis Patients (Medicare primary only)	
Financial Incentives	HDPa + only PYs 1-3 +/-PPA (Home Dialysis and Transplant Rates (Waitlist and LD transplant))	AMCP with Home Dialysis True-Up CKD QCP KTB	
		No Cost Sharing but PBA	Shared Savings/Losses
		AAPM (KCF, CKCC Graduated 2, Professional & Global)	
Kidney Transplant Bonus	No	Yes	
Quality Measures	ESRD QIP	ESRD QIP + PAM, Depression Remission, Optimal ESRD Start	
Benefit Enhancements		Improved utilization KDE, Telehealth, Home Health, SNF, Hospice	

*Graduated Level 1&2, Professional, Global

CKCC Model – A Unique Structure Kidney Contracting Entity (KCE)

Comprehensive Kidney Care Contracting (CKCC) Entity Structure



A KCE **must include** at least one nephrologist, nephrology group practice, and transplant provider.

A KCE **may include** dialysis facilities and other kidney care providers on an optional basis.

Transplant Providers include: Transplant centers, organ procurement organizations (OPO), transplant surgeons, and transplant nephrologists, among others.

KCE Transplant Nephrologists can serve as an aligning nephrologist or as a transplant provider, but not both.

Kidney Care Choices Models

RFAs, Timeline, and Beneficiary Minimums

- **Timelines for Cohorts 1 & 2**

- **RFA for Cohort 1 released October 2019 with application deadline 1/22/2020**

- Revised Timeline announced 3/5/2021 with update 3/18/2021
- 5 years: 1/1/2022 – 12/31/2026

- **RFA for Cohort 2 released 2/28/2022, due Date 3/25/2022, Notification in May 2022**

- Public release – 1/13/2023
- 4 years: 1/1/2023 – 12/31/2026

- **Beneficiary Minimums**

- **KCF: ↓ to 350+ CKD 4/5 beneficiaries, 200+ ESRD beneficiaries**

- May aggregate with 1-5 KCF practices for Minimums/Payment Adjustment

- **CKCC: ↓ to 750+ CKD 4/5 beneficiaries, 350+ ESRD beneficiaries**

- May aggregate with 1-5 KCEs if NO LDO affiliation

KCC models: Who's In PY2? (updated 1/13/2023)

KCC Model Option	Number Practices	Number CKD/ESRD Pts	Number Providers	States Included
KCF	2022: 20 (30) 2023: 10 new Current: 30	2023: 249,983 2022: 128,141	2023: 8398 2022: 4910	AL, AZ, CA, CT, FL, GA, MA, MS, NH, NV, NY, OR, TN, TX, VA, WA
CKCC Graduated	2022: 4 Level 1 2023: 0 Level 1 2023: 9 new Level 2 Current: 13 Level 2			AL, AK, AZ, CA, CO, FL, GA, ID, IN, KS, KY, MO, NC, NJ, NM, NY, OH, PA, SC, TN, TX, UT, VA, WA, WY
CKCC Professional	2022: 35 2023: 7 Graduated Level 2 2023: 14 new Current: 56			AL, AR, AZ, CA, CO, CT, DE, DC, FL, GA, IA, IL, IN, KS, KY, LA, MD, ME, MI, MN, MO, MS, NC, NE, NJ, NM, NV, NY, OH, OK, OR, PA, SC, TN, TX, UT, VA, WI, WA, WV
CKCC Global	2022: 4 2023: 27 new Current: 31			AL, AZ, CA, CO, DC, DE, FL, GA, IA, IL, IN, MA, MD, MI, MN, NJ, NM, OH, OK, PA, RI, SC, TN, TX, VA, WI, WV

KCC models: CKCC (KCE) Affiliations PY2 (2023)

Organization	Graduated	Professional	Global	Total
Interwell Health		22	2	24
Davita		22		22
Panoramic Health		4	14	18
US Renal Care	7	2	1	10
Evergreen Nephrology		1	9	10
Strive Health	2	4	2	8
Dialysis Clinic, Inc.	3			3
Somatus			2	2
Satellite Healthcare			1	1
Carolina Kidney Partners	1			1
Renal Care 360		1		1
Total	13	56	31	100

<https://innovation.cms.gov/media/document/kcc-py23-participant-starters>

KCC – Beneficiary Eligibility/Alignment

- **PROSPECTIVE** alignment start of PY, Quarterly updates, **RETROSPECTIVE** reconciliation end of PY
 - PY2023 Q1: 12-month lookback (10/1/2021-9/30/2022) in October 2022
- **ELIGIBILITY**
 - CKD 4/5 or ESRD or received a **functioning** transplant (must be already aligned)
 - 18+ years old and NOT deceased
 - Reside in U.S.
 - Enrolled in Medicare Parts A **and B, No MA, No MSP**
 - No Hospice within last 3 months of alignment
 - No prior alignment to a Medicare ACO (except MSSP for KCF)
 - ≥ 50% of MCPs/CKD care in the KCF/KCE service area
- **ALIGNMENT: Nephrologist/APP**
 - **CKD 4/5** – 2+ E&M visits/**12** months, ≥ 50% Services within KCE Service Area
 - **ESRD** – 2+ MCP visits/**3** months, ≥ 50% Services within KCE Service Area
 - **Transplant** – previously aligned by CKD/ESRD, functioning transplant for up to 3 years

KCC Payment Overview

- “Adjusted” Monthly Capitation Payment (AMCP)
- CKD Quarterly capitated payment (CKD QCP)
- Kidney Transplant Bonus (KTB)
- **KCF ONLY:** Performance-Based Payment Adjustments begin in PY2/3 (2023/2024), Q3
 - *“...adjusted capitated payments...” “...on the basis of health outcomes and utilization compared to both the participants’ own experience and national standards”*
- **CKCC ONLY:** Shared Savings/Losses (CKCC Graduated 2, Professional, Global)
 - Excluded Costs:
 - Kidney Transplant Related Costs
 - Uncompensated Care
 - Kidney Transplant Bonus
 - Additional Included Costs:
 - AMCP, CKD QCP, TCC (Global)
 - Sequestration
 - ACO Payments

KCC Payment - AMCP

- **DURING the PY:**
 - Aligned beneficiaries with ESRD paid at the billed MCP using the **1, 2-3 or 4** visit/month rate
 - For 1-visit, $\sim\$202 \times 0.80 = \sim\162 (2023)
 - For 2-3 visit, $\sim\$294 \times 0.80 = \sim\235 (2023)
 - For 4-visit, $\sim\$353 \times 0.80 = \sim\282 (2023)
- **AFTER the PY:**
 - **Home Dialysis True-Up payment**
 - CMS pays \$35/visit for each aligned beneficiary for every home dialysis MCP claim as a lump sum annually
 - $\sim\$294 \times 0.80 = \sim\$235 + \$35 = \270
 - **EXCLUDED** from the PBA in the KCF model

KCC Payment - CKD QCP

- Aligned beneficiaries with CKD 4/5
 - No risk adjustment
- 2-3 visit AMCP paid PBPQ prospectively to KCF/KCE: $((\sim\$294 \times 0.80) \times 0.7) = \sim\165 (2023)

- **Included Services:**

Original RFA	Added October 2020
<ul style="list-style-type: none">• OP E/M(99201-99205, 99211-99215)• Prolonged E/M(99354-99355)• TCM(99495-99496)• ACP(99497-99498)• AWV(G0402, G0438, G0439)• CC Management(99490)	<ul style="list-style-type: none">• Complex CC Coordination(99487)• Home Care E/M(99348, 99349)• Prolonged Non-Face-to-Face E/M(99358*)• Assessment for Patients Requiring CC Management (GO506)• Online Digital E/M for Est. Patient(99421-99423)• Phone E/M(99441-99443) <p>* 99358 discontinued CY2020 PFS Final Rule</p>

- **30%** payments withheld to be reconciled at the end of the PY for **ALIGNMENT (20%)** and **LEAKAGE (10%)** adjustments
- FFS Payments remain for:
 - IP Care, Transplant Care, Non-aligned beneficiaries

KCC Payment - KTB

- Living or deceased donor or Artificial Kidney (when FDA approved)
- Transplant must remain **functioning**
- **EXEMPT** from **Total Cost of Care (TCOC)**
- **Schedule of Payments**

Installment	Transplants PY 2022-2024		Transplants PY 2025		Transplants PY 2026	
	Amount	Date of Payment	Amount	Date of Payment	Amount	Date of Payment
1 st Installment	\$2,500	1 year after transplant	\$2,500	1 year after transplant	\$2,500	1 year after transplant
2 nd Installment	\$5,000	2 years after transplant	\$5,000	2 years after transplant	\$2,500	1 year after transplant
3 rd Installment	\$7,500	3 years after transplant	\$3,750	2 years after transplant	\$3,750	1 year after transplant
Total KTB	\$15,000		\$11,250		\$8,750	

- **Allocation**
 - **CKCC**: 20% nephrologist, **20% transplant provider**, 60% KCE
 - **KCF**: 100% practice

KCC – Quality Performance

- **Optimal ESRD Starts (NQF #2594)**
- **PROMs**
 - **Gains in Patient Activation Measure (PAM®) at 12 months (NQF #2483)**
 - **Depression Remission (12 months) – Progress Towards Remission (NQF # 1885)**
- **Measures under development**
 - **SMR for late-stage CKD and ESRD**
 - **Delay in Progression of CKD**

KCC – Quality Performance

- **KCF: QUALITY GATEWAY (PROMs) & PERFORMANCE BASED ADJUSTMENT (PBA)**
 - **Quality Gateway Measures**
 - PROMs
 - **PBA - Utilization Measures**
 - Optimal ESRD Starts
 - Per Capita Costs Measures (TCOC for CKD 4/5 & ESRD ALIGNED beneficiaries)
- **CKCC: QUALITY WITHHOLD - 100% quality score to fully recoup quality withhold**
 - **Cohort 1 – Achievement (Benchmark) & Improvement (Self) – Higher score awarded**
 - **Cohort 2 – Achievement ONLY**
 - Trended, risk adjusted benchmark
 - **TQS = 100 X ((Optimal ESRD Starts (50%), PAM (25%), Depression Remission (25%))/2)**
 - **Achievement:** 0 pts (< 30%), 0.5 (≥30%-<50%), 1 (≥50%-<75%), 1.5 (≥75%-<90%), 2 (≥90%)
 - **Improvement:** 0 pts (No change or worse), 0.5 (>0%-<5%), 1 (≥5%-<10%), 1.5 (≥10%)

KCC – Optimal ESRD Starts

- Includes:
 - Preemptive transplant
 - Initiate HHD as an OP without a CVC
 - First ICHD as an OP without a CVC
 - $\leq 10\%$ using an AVG – **REMOVED prior to PY1 (2022)**
 - Initiate RRT with PD
- CMMI will use EQRS (CROWNWeb) – **ACCURATE 2728**
- **CKCC: 50%** of total quality score, **P4P**
- **CKCC Achievement - Cohorts 1&2**
- **CKCC Improvement – Cohort 1 ONLY**
- **~ 6%** of aligned CKD beneficiaries will initiate RRT/PY
- Optimal starts save **~\$11,300/patient**

KCC – Patient Activation (PAM®)

- **Assess patient's knowledge, skills and confidence to effectively manage own health**
 - NQF endorsed & designed to measure improvements in patient activation
- PAM® survey – 13 question survey tool developed by Phreesia (Insignia Health)
 - Levels 1-4
- Survey **administered to $\geq 50\%$ aligned beneficiaries within PY** at SEMI-FINAL RECONCILIATION (≥ 4 months apart) with **≥ 3 -point \uparrow across KCE/KCF practice**
 - PY1 (2022): EXCLUDES Level 4
 - **PY2 (2023): INCLUDES Level 4**
 - Phreesia provides training to Nephrology Practices and Dialysis Facilities
- **CKCC: 25%** of total quality score, **P4P**
- **CKCC Achievement - Cohorts 1&2**
- **CKCC Improvement – Cohort 1 ONLY**

KCC – Depression Remission at 12 Months

- Targets patients with a diagnosis of major depression/dysthymia AND a PHQ-9 score > 9
- CKCC: 25% of total quality score, Cohort 1 - P4P, Cohort 2 – P4R
- Cohort 1
 - Administer a baseline OR follow-up PHQ-9 $\geq 50\%$ aligned beneficiaries at SEMI-FINAL RECONCILIATION (aligned & excluded)
 - INDEX EVENT patients: Follow-up compared with baseline PHQ-9
 - Follow-up PHQ-9 12+/- 2 months AFTER baseline
 - SUCCESS: $\geq 50\%$ reduction in PHQ-9
 - Improvement based on O/E PY2023 vs PY2024
- Cohort 2
 - Administer baseline PHQ-9 $\geq 50\%$ aligned beneficiaries at SEMI-FINAL RECONCILIATION (aligned & excluded)
 - Must document an assessment in ≤ 7 days IF PHQ-9 > 9
 - If a diagnosis of major depression/dysthymia exists, this establishes an INDEX EVENT for PY 2024
 - Follow-up PHQ-9 12+/- 2 months AFTER baseline
 - Improvement based on O/E PY2024 vs PY2025

CKCC – Quality Performance Benchmarks – PY 2 (2023)

Percentile	Points	PAM®	Depression Response ^{1,2}	Optimal Starts PY 2022 ³	Optimal Starts PY 2023 ⁴
<30 th %-tile	0	Average PAM® score increase < 3pts	6.72%	<25%	32.88%
≥30 th -< 50 th %-tile	0.5		10.08%	25%	38.27%
≥50 th -< 75 th %-tile	1.0		15.46%	40%	44.12%
≥75 th -< 90 th %-tile	1.5		21.50%	50%	50.38%
≥90 th %-tile	2.0	Average PAM® score increase > 3 pts	>21.50%	66.67%	>50.38%

¹ Apply to Cohort 1 KCEs only

² KCEs risk-adjusted performance rate (12 months) used for comparison to benchmarks

³ vs 2019

⁴ vs 2021

KCF Performance Based Adjustment (PBA)

- Impacts AMCP (**EXCLUDES Home Dialysis True-Up**) and CKD QCP to begin in Q3 of PY2 (2023) or PY3 (2024)
 - **+20% to -20%** adjustment based on **Quality Performance**
- **Step 1 – RELATIVE PERFORMANCE (RP) on QUALITY GATEWAY MEASURES**
 - Gains Patient Activation (PAM), Depression Remission at 12 months
 - PASS: **RP** levels 1-5 (go to **Step 2**)
 - FAIL: **RP** level 5 and CANNOT receive **Continuous Improvement (CI)** vs. SELF
- **Step 2 - RP on UTILIZATION MEASURES vs. KCF Practices**
 - Optimal ESRD Starts, Reduced Cost of Care
 - Top 50% - **RP** levels 1 or 2 (+)
 - Bottom 50% - go to **Step 3**
- **Step 3 - RP on UTILIZATION MEASURES vs. NATIONWIDE Practices**
 - > 50% - **RP** level 3 (0)
 - >25%-50% - **RP** level 4 (-)
 - ≤25% - **RP** level 5 (-)
 - Assess **RP**, Cohort 1 - 2023 and beyond (+/-), Cohort 2 – 2024 and beyond (+/-)
 - Threshold for **CI**, Cohort 1 – 2024 and beyond (+), Cohort 2 – 2025 and beyond (+)
 - Achieved – PBA = **RP + CI**
 - NOT achieved – PBA = **RP only**

Payment KCF

PBA Metrics – the whole story

RP Level	% KCF Practices (STEP 2)	% Nationwide Practices (STEP 3)	RP Adjustment	% Improvement Needed for CI Adjustment	CI Adjustment	RP + CI Adjustment
1	≥ 75%		+10%	+3.5%	+10%	+20%
2	> 50%-74%		+2%	+4.0%	+5%	+7%
3	≤ 50%	> 50%	0%	+4.5%	+4%	+4%
4	≤ 50%	> 25% - 50%	-6%	+4.5%	+4%	-2%
5	≤ 50%	≤ 25%	-20%	+5.0%	+10%	-10%
5	Did NOT pass Quality Gateway (STEP 1)		-20%	N/A	N/A	-20%

Reduced levels from 8 to 5, Decreased + adjustment, Maintained - adjustment, Adjusted CI targets and %s

KCF Payment PBA – Timing of Adjustments

PBA Payment Applied	2022 (PY1)				2023 (PY2)				2024 (PY3)				2025 (PY4)				2026 (PY5)				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
PY2Q3-PY3Q2 RP only - Cohort1	Measure				Calculate	Adjust															
PY3Q3-PY4Q2 RP + CI - Cohort1 RP only - Cohort2					Measure				Calculate	Adjust											
PY4Q3-PY5Q2 RP + CI – Cohort 1 & 2									Measure				Calculate	Adjust							
PY5Q3-PY5Q4 RP + CI – Cohort 1 & 2													Measure				Calculate	Adjust			
Measurement Period	Data collection on measure performance concludes at the end of the Measurement Period																				
Calculation Period	PBA amount calculated during Calculation Period based on performance during the PBA Performance Period																				
Adjustment Period	PBA applied to the AMCP (excluding the Home Dialysis True-Up) and CKD QCP during the PBA payment Adjustment Period																				

CKCC Shared Savings/Losses Summary of Options

	Graduated (\leq 500 facilities)	Professional	Global
Description	<ul style="list-style-type: none"> • PY1(Level 1) - 40% shared savings/0% shared losses • PY2(Level 2)– 50% shared savings/30% shared losses • Transition to Professional after 1 or 2 years 	50% shared savings/losses for TCOC Part A&B	100% shared savings/ losses for TCOC Part A&B
Risk Sharing	<ul style="list-style-type: none"> • Shared savings ONLY or shared savings/limited shared losses 	<ul style="list-style-type: none"> • 50% shared savings/losses • Must be <5% of Benchmark 	<ul style="list-style-type: none"> • 100% shared savings/losses • Must be <25% of Benchmark
Risk Corridors (4)	Yes (Level 2)	Yes	Yes
Benchmark (ESRD) Discount	No	No	<ul style="list-style-type: none"> • 3% PY1&2 • PY3+, increases 1%/yr
Quality Withhold	PY1 – 0%, PY2 – 2.5%	5%	5%
Total Care Capitation	No	No	Possible after PY1

Financial Benchmark – ESCO vs CKCC

	ESCO	CKCC
Expenditures: Baseline/Historical	2012/2013/2014 (equal weights)	2017/2018/2019 (10%/30%/60%)
Expenditures: DC/KCC (MA) Rate Book	No	Yes (35% → 50%)
Trend	National reference population (black box)	Adjusted US per Capita Costs (USPCC)
Risk adjustment	Risk score ratios (black box)	Risk adjustment/standardization with coding intensity mitigation
Reporting	Retroactive (6-12 months)	Prospective (as claims are received)
Transparent/Reproducible	No	Yes

CKCC Benchmark Construction

- **Step 1 – Determine Baseline/Historical Expenditures**
 - **Fixed** 3-year period for the **duration** of the KCC model
 - Weighted historical expenditures for aligned beneficiaries:
 - 2017-10%, 2018-30%, 2019-60%
 - Baseline expenditures **UPDATED** each year
 - Use a KCEs most recent Participant List
- **Step 2 – Apply Trending and Geographic Adjustment Factor (GAF)**
 - **Trending determined by the year-over-year projected %-change in the U.S. Per Capita Cost (USPCC)**
 - USPCC developed annually (CMS Office of the Actuary)
 - **Adjusted** FFS USPCC - **separate** for CKD 4/5 (Aged/Disabled) and ESRD
 - **GAF Adjustments to the USPCC Growth Trends**
 - Intended to **PREVENT** the benchmarks from being understated or overstated because of differences in local price adjustments used to calculate provider and supplier payments between the **BASELINE** period and the **PERFORMANCE** Year
 - Accounts for variations in the **COST-OF-DOING-BUSINESS ADJUSTMENTS**

CKCC Benchmark Construction

- **Step 3 – Incorporate Regional Expenditures**
 - CMS incorporates **regional expenditures** into the **historical baseline** to generate **PY benchmarks**
 - Test the use of the county level benchmarks from an **ACO REACH/KCC Rate Book** for upcoming PY
 - Modeled after the MA Rate Book with adjustments
 - Exclusion of adjustments based on health plan performance
 - Removal of quartile adjustments
 - Reduction in Calendar Years contributing to the rate book (7 vs 3)
 - Removal of Excluded Expenditures
 - **Separate** estimates for ESRD (State) and CKD4/5-Aged/Disabled (County)
 - Provides risk-standardized rates for counties published PROSPECTIVELY for each PY
 - BLEND **regional** expenditures with the KCEs **historical baseline** expenditures which have been trended forward in determining a KCEs PY benchmarks (Maximum Adjustment +5% or -2%)

Benchmark Component	PY 1 (2022)	PY 2 (2023)	PY 3 (2024)	PY 4 (2025)	PY5 (2026)
KCE's Weighted Baseline Expenditure	65%	65%	60%	55%	50%
KCE's Weighted Regional Rate	35%	35%	40%	45%	50%

CKCC Benchmark Construction

- **Step 4 - Risk adjustment for PY**

- Benchmarks account for differences in the risk of aligned beneficiaries in the **Baseline and Performance Years**
- Based on the **Prospective CMS Hierarchical Condition Category (HCC) Risk Model**
- Relies on provider-supplied diagnostic codes for a PRIOR CY to predict costs in the PY
- NGACO Risk Score Cap (available AFTER end of the PY) to MITIGATE Coding Intensity:
 - CKD 4/5: +/- 6%
 - ESRD: +/- 3%
 - Reference Year for Application of the Percentage Cap to KCE Risk Scores

Performance Year	Reference Year
PY1 – 2022	2020
PY2 - 2023	2020
PY3 - 2024	2022
PY4 – 2025	2023
PY5 – 2026	2024

CKCC – What are Risk Scores?

RISK ADJUSTMENT CONCEPTS

Risk Score Factors

CMS uses risk adjustment to adjust payments based on the demographics and health risk of a beneficiary

Risk scores are derived for a beneficiary using a combination of **demographic** and **disease-based** factors

Demographic Factors

Age, Disabled Status, Medicaid Status, etc.

Disease-Based Factors

ICD-9/10 codes on claims are mapped to Hierarchical Condition Categories (HCCs)

The average Medicare beneficiary with average expenditures will have a risk score equal to 1.0. Sicker beneficiaries with predictably higher costs of care will generally have a higher risk score (e.g., 1.5 or 2.0)



CKCC - CMS HCC Prospective Model

Risk Scores for NGACO 2018 Aligned Beneficiaries

	<u>Non CKD</u>	<u>CKD4</u>	<u>CKD5</u>
Normalized Prospective Risk Score	0.99	2.26	2.65
NGACO SSE Nominal Expenditure	\$924	\$2,185	\$2,520

CKCC Benchmark Construction

- **Step 5 – Apply Discount and Quality Adjustments**
- **Discount Withhold Adjustment**
 - Discount applied to **ESRD** Benchmark for **Global Option only**
 - 3% (PY1 & 2)
 - 4% (PY3)
 - 5% (PY4)
 - 6% (PY5)
- **CKD Upward Adjustment – DELAY PROGRESSION**
 - **↑ the CKD benchmark** by 1% x number beneficiary months continuously aligned to the KCE for **> 24** months beginning in PY 1 (2022 or 2023)
 - Adjustment applied beginning in **PY3 (2024 or 2025)**
 - (PMPM CKD Benchmark) x 0.01 x (# CKD beneficiary-months continuously aligned > 24 months)

CKCC Benchmark Construction

- **Step 5 – Apply Discount and Quality Adjustments**
- **Quality Withhold Adjustment**
 - 0%→2.5% quality withhold for **Graduated**
 - 0% (Level 1, PY1)
 - 2.5% (Level 2, PY2), **MUST** move to **Professional** Model PY2 or 3
 - 5% quality withhold for **Professional and Global**
- **High Performers Pool – PY2 (2023):** SUM of points earned (top 1/3)

Cohort	Measure	Comparison	Requirement	Points
1 & 2	PAM®	KCEs avg change score	≥6 points	2.0
			<6 points	0
1	Depression Response	KCEs performance vs benchmark	≥75 th %-tile	2.0
			≥50 th -<75 th %-tile	1.0
			<50 th %-tile	0
1 & 2	Optimal Starts	KCEs performance vs benchmark	≥90 th %-tile	2.0
			≥75 th -<90 th %-tile	1.0
			<75 th %-tile	0

KCC Benefit Enhancements, Beneficiary Engagement Incentives and Waivers

- **KDE**
 - Allow auxiliary personnel to provide, stage 4 + stage 5 CKD & ESRD (1st 6 months), delays outcome assessment, delaying initiation of dialysis “as applicable”, waives cost share
- **Telehealth**
 - Waives rural requirements
- **Post-Discharge Home Visit**
 - Allows “general” supervision of auxiliary personnel, up to 9 visits within 90 days
- **Home Health**
 - Waives “confined to home” requirement
- **Hospice**
 - Allows concurrent care
- **3-day SNF (CKCC only)**
 - Waives 3-day hospital stay requirement for admission
- **Cost-Sharing Support for Face-to Face Visits**
- **Chronic Disease Management Reward**

A Final Word

Advanced APM Participation and the 5% MACRA Bonus

- **2022 was the last year to earn the bonus (paid in 2024)**
- H.R. 7791: Value in Health Care Act of 2020 - **never advanced**
- H.R. 4587: Value in Health Care Act of 2021 – **never advanced**
 - Introduced July 20, 2021
 - Would extend the 5% MACRA bonus for an additional 6 years
 - 12/1/22 – 41 cosponsors (28 Democrats, 13 Republicans)
- S.B. 5249: Preserving Patient Access to Value-Based Care Act
 - Introduced December 14, 2022
 - Introduced by Senators John Barrasso (R-WY) and Sheldon Whitehouse (D-RI)
 - Extend 5% MACRA bonus for an additional 2 years (~ 300,000 providers)
 - Ensures qualification thresholds remain attainable for participating providers
- **Omnibus Bill 2022**
 - **Extended AAPM MACRA bonus for 2023 ONLY at 3.5% (paid in 2025)**

Questions?

- Andrew (Andy) Howard
- kidneedok@aol.com
- 703-786-1902

Discussion Questions

Value-Based Care in Nephrology – Part 1

1. Delaying progression of CKD, increasing selection of home dialysis, increasing utilization of kidney transplantation, conservative management of advanced CKD – Are they all of equal importance?
2. Do the current financial incentives in the KCC models adequately incentivize change and if not, how would you modify them?
3. Are there concerns that VBC will lead to value defined as cost reduction rather than direct benefits to patients without a dollar value proposition?
4. Are the current quality measures being used in the KCC models appropriate, and, if not, what would you remove/add?
5. To be successful in an accountable care focused on advanced kidney disease with respect to shared risk, what areas must an organization focus on?
6. Is there a future for nephrologists who choose not to be involved in value-based care?