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**Kidney Community Warns Medicare Agency of Patient Access, Quality, Service and Staffing Problems If Proposed Medicare Cuts To Dialysis Care Are Finalized**

*Nation's Largest Renal Coalition Points to New Data Showing Devastating Impact of A 12 Percent/\$30 Per Dialysis Treatment Cut*

**Washington, DC**—Kidney Care Partners (KCP) -- the nation's leading kidney care coalition -- filed a detailed 77-page formal response with the Centers for Medicare & Medicaid Services (CMS, the federal agency that oversees Medicare) outlining myriad concerns over the magnitude of proposed cuts and changes to Medicare's dialysis benefit.

With the deadline for public responses to CMS on the proposed rule now closed, KCP is now urging health care policymakers to "carefully consider" a new Moran analysis of 2011 government cost data, which shows zero or negative Medicare margins for 78 percent of dialysis facilities nationwide if the proposed cut of 12 percent is finalized.

Based on the data within this report, KCP is urging policymakers to avoid any cut of the magnitude identified in the proposed rule to Medicare's end-stage renal disease (ESRD) program. Medicare's ESRD benefit currently covers life-sustaining dialysis care for approximately 85 percent of the 400,000 Americans living with kidney failure.

Speaking on behalf of patients, physicians, nurses, technicians, providers, and manufacturers, KCP's [letter](#) points to a recent Moran Company analysis and states: "The 2011 cost report data show that the economics of this sector remain extremely fragile. A cut of the magnitude proposed puts beneficiaries at risk and places facilities in an untenable position of having to make difficult choices about reducing staff, services, and even closing facilities. Therefore, we strongly urge the Agency to exercise all of its authority under the statute to protect beneficiary access to care and temper the proposed payment reduction..."

"Dialysis providers are already struggling to absorb and adjust to the Medicare cuts made to the program in recent years," added Ron Kuerbitz, Chairman of Kidney Care Partners. "As this new analysis of government data clearly show, Medicare barely covers the cost of providing dialysis to ESRD patients, even before the impact of sequestration-related cuts. The current proposal would dramatically underfund this crucial therapy for Medicare beneficiaries on dialysis. To protect the well-being of our patients, CMS must carefully weigh the merits of the data and moderate its approach to this rule."

Specifically, the letter recommended the following:

- *Before considering a payment rate reduction, CMS should use its existing authority to address long-standing, unresolved problems with the base rate that have resulted in significant dollars being removed from the payment system inappropriately.*
- *When calculating the payment reduction, CMS should account for the two percent utilization reduction already built into the payment system, as well as the historic cross-subsidization of the composite rate services by separately billed drugs that the PPS*

*bundle eliminated by creating a single payment rate. The effort to unbundle the drugs for purposes of the payment reduction requires the cross-subsidization to be considered once again.*

- *Before finalizing the overall payment rate, make sure that the rate covers the cost of providing care, as determined by the Agency's own cost report data.*

The CMS proposal comes on the heels of numerous bi-partisan appeals from lawmakers to take a cautious approach in implementing ATRA's (American Taxpayer Relief Act of 2012) ESRD provisions. During August recess, more than 200 members of the U.S. House of Representatives signed [a bipartisan letter](#) expressing concerns that the payment rate for dialysis should not fall below the cost of care, thereby having a negative impact on quality and access.

Additionally, 17 bi-partisan Senators sent a [letter](#) to CMS urging officials to make payment adjustments "in a manner that does not gut this crucial service for vulnerable beneficiaries." Similar letters were sent by the [House Ways and Means Health Subcommittee Committee Chairman and Ranking Member](#) as well as the three [Congressional minority caucuses](#).

Further, the nation's leading kidney patient advocacy organizations – the National Kidney Foundation, the American Kidney Fund, Dialysis Patient Citizens, and Renal Support Network – [joined together](#) to urge CMS to be cautious in its rulemaking.

With regard to Medicare's quality improvement program (QIP) also contained in the proposed rule, KCP pointed out that the current QIP program is flawed and encourages CMS to work with the community for future rulemakings to develop a comprehensive strategic plan for measure development, adoption, and retirement/removal." The KCP letter adds, "facilities can continue to improve only if the payment rate for their services covers the cost of providing care."

The KCP letter also addressed a potential "phase in" of the proposed cuts: "CMS' request for comment on a potential phase-in...signals the Agency's understanding that the proposed cut is simply too large for dialysis facilities to absorb without harming patient access and quality of care.... We believe that the Agency must first address the many as-yet unresolved problems within the PPS that have resulted in the payment amount being less than what Congress required it to be by statute.... A phase-in cannot and should not be viewed as a substitute for making necessary corrections to the current payment system."

*Kidney Care Partners is a community-wide coalition of patient advocates, dialysis professionals, researchers, care providers and manufacturers dedicated to working together to improve quality of care for individuals with chronic kidney disease.*

To learn more, visit [www.kidneycarepartners.com](http://www.kidneycarepartners.com).

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