



H.R. 6331

THE MEDICARE IMPROVEMENTS FOR PATIENTS AND PROVIDERS ACT: BETTER CARE FOR PATIENTS WITH END-STAGE RENAL DISEASE

After a brief waiting period, Medicare provides coverage to all patients, regardless of age, who are stricken with kidney failure – clinically known as end-stage renal disease (ESRD). Under existing law, Medicare pays dialysis facilities one lump sum payment reflecting most items and services needed to treat these patients – but pays several additional separate payments for certain drugs and laboratory services that are equally important to treatments.

H.R. 6331, the Medicare Improvements for Patients and Providers Act, will “bundle” all the costs of all the elements of ESRD care into a single payment that will save Medicare dollars – mainly by removing incentives for facilities to overuse items and services that are currently separately billed. This, along with quality and education measures in the legislation, can improve the care that ESRD patients receive. The bill would:

- **Require the Secretary of Health and Human Services to implement, effective January 1, 2011, a fully bundled payment system for ESRD.** The legislation details the items and services to be included in the bundled payment, including drugs and laboratory tests that are currently paid for separately, and phases in the payment change over three years to help dialysis facilities adjust with no interruption of care for patients. To ensure proper care for Medicare beneficiaries with more complex needs, the bill allows for higher payments to facilities treating such patients.
- **Improve payments to providers of ESRD services to ensure beneficiary access to needed care – particularly in rural areas.** To make sure that payments keep up with expected increases in the cost of providing dialysis care, H.R. 6331 will use savings from the bundling measure to fund, for the first time, a permanent market-based update to providers of renal dialysis services. The bill also requires payment adjustments for facilities in rural areas or others that may require additional resources to provide high-quality care to their patients. Even before the bundled system is implemented, the legislation will update payments to dialysis facilities to ensure that their costs continue to be met.
- **Establish a quality incentive program for ESRD providers.** The legislation requires providers of ESRD services to meet a certain standard for quality of care. Providers may meet performance standards by demonstrating improvement or high levels of achievement. The bill authorizes cuts in payments to ESRD providers who do not meet specified quality targets. To better inform health care consumers about the quality of care that facilities are providing, the legislation requires the Secretary to publish the performance rates of ESRD providers on the website of the Centers for Medicare and Medicaid Services (CMS).
- **Increase outreach and education programs for patients with kidney disease. Chronic kidney disease can lead to ESRD.** H.R. 6331 requires the establishment of pilot programs to track, screen for, and increase awareness of chronic kidney disease. It also requires Medicare to pay for kidney disease education services that will help beneficiaries manage health problems that come along with the disease, prevent additional complications, and understand their dialysis options.