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CMS Proposes Medicare Payment Changes to Support Innovation and Increased Access for Dialysis in the Home Setting

Rule proposes improved process to pay for innovative dialysis equipment and support home dialysis for Medicare's most vulnerable population

Today, the Trump Administration took dramatic steps to support access to home dialysis through the Centers for Medicare & Medicaid Services (CMS) proposed changes to the Medicare End-Stage Renal Disease (ESRD) Prospective Payment System (PPS). Building on President Trump's Executive Order on Advancing American Kidney Health, CMS is proposing that certain new and innovative equipment and supplies used for dialysis treatment of patients with ESRD in the home would qualify for an additional Medicare payment. These proposed changes would encourage the development of certain new and innovative home dialysis machines that would give beneficiaries more dialysis treatment options in the home that can improve their quality of life.

"CMS data shows that those with ESRD have the highest rate of hospitalization of any single group, a trend consistent with having to frequently leave home to receive dialysis," said CMS Administrator Seema Verma. "In the midst of a deadly pandemic that poses a particular threat to those with serious underlying conditions, President Trump's call for increased access to home dialysis has never been more urgent. Unfortunately, government rules too often stand in the way. Today's action represents a sorely needed course direction, making it easier for ESRD facilities to make new and innovative home dialysis machines available to patients who need them."

Currently, more than 85 percent of Medicare fee-for-service beneficiaries with ESRD travel to a facility to receive their dialysis at least 3 times per week. They spend, on average, 12 hours each week attached to a dialysis machine away from home. Dialysis patients are among the most vulnerable population covered by Medicare, as many of these beneficiaries have multiple chronic conditions and comorbidities. The ESRD population also has the highest hospitalization rates due to COVID-19 among Medicare beneficiaries, highlighting the importance that this population stay at home during the public health emergency to reduce risk of exposure to the virus. In order to ensure that dialysis patients have access to the best possible care, CMS is proposing needed innovative changes to encourage more home dialysis treatment.

CMS is proposing to expand the transitional add-on payment adjustment for new and innovative equipment and supplies (TPNIES) that was introduced last year to now cover qualifying new dialysis machines when used in the home. This would provide a new payment mechanism to expand access to certain new and innovative home dialysis machines, facilitating quicker availability to Medicare beneficiaries. Today's announcement builds on previous actions taken by CMS to improve care for beneficiaries with kidney disease including:

- The proposed ESRD Treatment Choices (ETC) Model that would encourage greater use of home dialysis and kidney transplants for Medicare beneficiaries with ESRD in order to preserve or enhance their quality of care while reducing Medicare expenditures,
- The Kidney Care First (KCF) and Comprehensive Kidney Care Contracting (CKCC) Options of the Kidney Care Choices (KCC) Model that will test whether new care delivery and Medicare payment options can improve the quality of care and reduce the total cost of care for patients with kidney disease.
- Refinements to eligibility for the transitional drug add-on payment adjustment (TDAPA) under the ESRD PPS to better target the additional payment to innovative renal dialysis drugs and biological products based on the Food and Drug Administration's (FDA's) New Drug Application Classifications.

For a fact sheet on the CY 2021 ESRD PPS proposed rule (CMS-1732-P), please visit: <https://www.cms.gov/newsroom/fact-sheets/end-stage-renal-disease-esrd-prospective-payment-system-pps-calendar-year-cy-2021-proposed-rule-cms>.

To view the proposed rule, please visit: <https://www.federalregister.gov/inspection.aspx>.

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