



July 11, 2019

To: Strategic Health Care Clients

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Re: Just-Announced CMS Radiation Oncology and Kidney Disease Demonstrations

Yesterday, in conjunction with the President's Advancing American Kidney Health Executive Order (EO), CMS announced five new payment demonstrations. Below are summaries. (As a related aside, Adam Boehler, CMMI Director, yesterday resigned from CMS to accept the President's nomination to the position of CEO of the U.S. International Development Finance Corporation.) For more information see the related stories on the [CMS Newsroom](#) home page. The President's EO is [here](#). Please feel free to email any questions. Thank you.

#### **The Radiation Oncology (RO) Demonstration**

1. (This demonstration demo has been expected since CMS was charged under 2015 legislation to create an episode-based payment for RT services.)
2. This is a five-year radiotherapy treatment demo for 17 cancer types/diagnoses expected to begin either January 1 or April 1 2020.
3. The demo is mandatory in randomly-selected Core Based Statistical Areas.
4. The demo is designed to be site neutral, with 90-day episode payments to physician group practices, HOPDs and freestanding radiation therapy centers.
5. The discount rates are 4% under the professional reimbursement component payment and 5% under the technical component.
6. Discounts are lower for incomplete episodes.
7. Discounted moneys or withholds can be earned back based on clinical data and quality measure reporting and CAHPS scores.
8. Beneficiaries have the same cost sharing but would be lower because of the applied reimbursement discounts. They also retain provider choice.
9. The demo will qualify as an Advanced APM under MACRA or the Quality Payment Program.
10. Proposed demo details will appear under proposed rule CMS 5527-P.

#### **The ESRD Treatment Choices (ETC) Demonstration**

1. This demo is scheduled to run from 1/1/20 through 6/30/26.
2. It will be mandatory in select Hospital Referral Regions (HRRs).
3. The demo and will account for 50% of adult ESRD beneficiaries in all 50 states and DC. Based on beneficiary population concentration, Maryland beneficiaries could be included.
4. Beneficiaries will be attributed by the preponderance of monthly dialysis utilization.

5. Nephrologist and other Managing Clinicians' ESRD PPS per treatment base payment rate will be adjusted to incent choice in treatment modality and support greater utilization of home dialysis and transplants.
6. More specifically, two types of payment adjustments will be applied: a uniform positive adjustment on Medicare claims for home dialysis and related services during the initial three years of the demo; and, a second that could be positive or negative payment adjustment based on home dialysis rate and transplant rate performance.
7. CMS will adjust rates depending on disease severity.
8. Certain ESRD beneficiaries will be excluded including those under 18 and under hospice care.
9. CMS will expand the kidney disease education benefit beyond currently permitted clinicians.
10. This demo falls under the July 10 proposed Specialty Care Models to Improve Quality of Care and Reduce Expenditures rule.

CMS states the following two demonstrations build on the current Comprehensive ESRD Care Model demo and the recently announced Primary Care First and Direct Contracting demonstrations.

#### **The Kidney Care First (KCF) and Comprehensive Kidney Care Contracting (CKCC) Demonstrations**

1. Providers in both demos will be responsible for aligned beneficiaries from late stage CKD or ESRD through dialysis, transplantation and post-transplant care.
2. These models will be voluntary.
3. These models are anticipated to run from 1/20 through 12/31/23 with the option of two additional years. Financial accountability will not begin until 1/21.
4. KCF will be open to nephrology practices only. Beyond nephrologists, the CKCC demo can include dialysis centers and other providers and suppliers.
5. Assignment is the same for both, beneficiaries with CKD stages 4 or 5, with ESRD receiving dialysis or have received dialysis and a transplant.
6. Payments will be adjusted based on utilization outcomes compared against other demo participants and national standards. Bonus payments will be made for transplants provided they are successful.
7. The CKCC Graduated model is a lower-reward one-sided risk model that increases risk with greater potential reward; the CKCC Professional Model is based on the Professional Direct Contracting model with 50% shared savings and shared losses based on total Part A and B services; and, the CKCC Global model is akin to Direct Contracting's 100% risk for total Part A and B care.
8. CMS will develop requisite governance structure, beneficiary alignment, risk adjustment and financial overlap rules.
9. Models will qualify as Advanced APMs under MACRA/Quality Payment Program.
10. Beneficiary enhancements included telehealth, 3-day SNF, home health home-bound and post discharge home visit and care management home visit waivers.