

U.S. House and Senate Notification
Monday, July 26, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Subject: CMS Announces New Prospective Payment System for End-Stage Renal Dialysis Facilities

The Centers for Medicare & Medicaid Services (CMS) today issued a final rule that will change how Medicare pays for dialysis services for Medicare beneficiaries who have end-stage renal disease (ESRD). CMS also issued a proposed rule that would establish a new quality incentive program (QIP) to promote high quality services in dialysis facilities by linking a facility's payments to performance standards. The QIP is the first pay-for-performance program in a Medicare fee-for-service payment system.

Both the new prospective payment system and the proposed QIP were required by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA). The law requires the ESRD PPS to pay dialysis facilities a single bundled rate for renal dialysis services and home dialysis, while the proposed QIP promotes quality of service furnished by these facilities by creating payment incentives for them to take steps to improve patient outcomes.

CMS will accept comments on the QIP proposed rule until Sept. 24, 2010, and will respond to them in a final rule to be issued later this year.

For more information, please see: www.cms.gov/center/esrd.asp.

If you have questions about this notification, please contact the CMS Office of Legislation.

Thank you.