



FACT SHEET

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Medicare sets framework for the ESRD Quality Incentive Program for PYs 2013 and 2014

OVERVIEW

On Nov. 1, 2011, the Centers for Medicare & Medicaid Services (CMS) issued a final rule that would update payment policies and rates for dialysis services furnished to Medicare beneficiaries that are paid under the End-Stage Renal Disease Prospective Payment System (ESRD PPS). The final rule also includes provisions for strengthening the ESRD Quality Incentive Program (QIP), under which payments to dialysis facilities are reduced if they do not achieve a high enough total performance score based on their performance on measures that assess the quality of dialysis care. Both the ESRD PPS and the QIP were mandated by the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA).

BACKGROUND

Over the past 35 years, CMS has instituted a series of quality initiatives to improve dialysis care. The ESRD QIP builds upon and enhances CMS' commitment to improve quality by allowing CMS for the first time to tie ESRD facility payments to their performance on measures of quality.

The QIP is designed to improve patient outcomes by establishing payment incentives for dialysis facilities to meet performance standards established by CMS. Under the ESRD QIP, for the first time, payments are tied to the quality of care beneficiaries receive at the facilities.

By law, the QIP must include measures of dialysis adequacy and anemia management. These measures were incorporated into the payment year (PY) 2012 program and low facility performance on those measures could affect payments for services furnished by these facilities beginning on Jan. 1, 2012. In addition, the statute requires that, to the extent feasible, the program must include measures of patient satisfaction, iron management, bone mineral metabolism, and vascular access.

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CMS published the final rule that initially implemented the ESRD QIP in the *Federal Register* on Jan. 5, 2011. Today's final rule would update the QIP measures and scoring methodologies that would affect payments to dialysis facilities in PY 2013 and PY 2014.

DETERMINING TOTAL PERFORMANCE SCORES FOR PY 2013 AND PY 2014

Dialysis facility performance will be evaluated based on a set of quality measures established by CMS. These measures focus on core aspects of the quality of care for patients with ESRD and can significantly impact their quality of life. Under the ESRD QIP, CMS will compare facility performance on these quality measures against performance standards to generate a performance score. The performance scores for individual measures will then be weighted and summed to calculate a total performance score that determines whether the facility will receive a payment reduction. Payments will be reduced on a sliding scale basis, up to a maximum of two percent, to ensure that reductions are proportionate to the degree a facility's total performance score fails to meet the minimum total performance score needed to avoid a payment reduction.

In an effort to bring accountability to the ESRD QIP, facilities are also required to display certificates containing their performance scores prominently in the facility. This certificate serves to notify patients about the facility's performance on the ESRD QIP and how CMS used quality measures to evaluate the quality of care at the facility. ESRD QIP performance information will also be published online at CMS' *Dialysis Facility Compare* website.

As part of today's final rule, CMS revised its scoring method and performance standards for PYs 2013 and 2014.

ESRD QIP MEASURES AND SCORING FOR PY 2013

For the PY 2013 program, CMS will measure facility performance on two measures:

- An anemia management measure that assesses the percentage of patients with a hemoglobin level greater than 12 g/dL (for which a lower percentage indicates better performance on the measure); and
- A hemodialysis adequacy measure which assesses the percentage of patients with a urea reduction ratio (URR) of at least 65 percent (for which a higher percentage indicates better performance on the measure).

In addition, CMS is retiring the anemia management measure that assesses the percentage of patients with a hemoglobin level below 10 g/dL, because the medical evidence does not show that targeting a hemoglobin level of at least 10 g/dL is the most appropriate treatment option for many dialysis patients. This decision will allow for more individualized treatment of anemia in ESRD and will not encourage overuse of these medications. This decision is also consistent with

the label recently approved by the U.S. Food and Drug Administration for erythropoietin-stimulating agents (ESAs) when used to treat anemia in patients with chronic kidney disease.

CMS is actively monitoring anemia management practices and outcomes. We will continue to post information on the *Dialysis Facility Compare* website, and we will also explore additional ways to make anemia management data publicly available.

With respect to the PY 2013 ESRD QIP, CMS set the performance standards as the lesser of:

- The facility's own performance in the year that was selected for purposes of the ESRD PPS based on lowest per patient utilization (CY 2007) or
- A standard based on the national performance rates in a selected period (CY 2009).

To calculate the total performance score for PY 2013, CMS will weight each of these measures equally at 50 percent and to use CY 2011 as the performance period. CMS will score the total performance of facilities from 0 to 30 points and apply payment reductions on a sliding scale. A facility will need to earn a total performance score of 30 points in order to avoid a payment reduction in PY 2013. Payment reductions for PY 2013 will range from 1.0 to 2.0 percent.

ESRD QIP MEASURES AND SCORING FOR PY 2014

CMS has finalized three clinical measures and three reporting measures for the PY 2014 ESRD QIP. The three clinical measures are:

- The anemia management measure (the percentage of patients with a hemoglobin greater than 12 g/dL);
- Dialysis adequacy (as determined through the percentage of patients in a facility whose Urea Reduction Ratio is at least 65 percent); and
- Type of vascular access, which encourages the use of arteriovenous fistulae and discourages the use of catheters because of the high rate of infections and complications associated with catheter use.

The three reporting measures will capture whether a facility:

- Reports dialysis infection events to the Centers for Disease Control and Prevention's National Healthcare Safety Network;
- Surveys patients to learn about their experience of care; and
- Monitors patients for abnormalities in phosphorus and calcium levels.

For the PY 2014 ESRD QIP, CMS will score facilities on both achievement and improvement for each of the three clinical measures. A facility's achievement score will be determined based

on comparing its score to the scores of facilities in the 15th to 90th percentiles during the baseline period. A facility's improvement score is then determined based on where its actual performance falls on a scale ranging between its performance during the baseline period and the 90th percentile (the national benchmark). The baseline period for the PY 2014 ESRD QIP is July 1, 2010, through June 30, 2011, while the performance period is CY 2012.

Scores for the three clinical measures for which a facility is eligible are weighted equally to make up 90 percent of the facility's total performance score. Scores from the reporting measures for which a facility is eligible are weighted equally to make up the remaining 10 percent of the total performance score. If a facility is eligible for only one type of measure, the measure will comprise 100 percent of the total performance score.

CMS will reduce payments to facilities that do not meet a minimum total performance score. Facilities whose total performance score falls below the minimum total performance score by up to 10 points will receive a 0.5 percent payment reduction; 11 to 20 points below will receive a 1.0 percent payment reduction; 21 to 30 points below will receive a 1.5 percent payment reduction; and greater than 30 points below will receive a 2.0 percent payment reduction. CMS estimates that the minimum total performance score, based on 9 months of baseline data, will be 56 points. This minimum total performance score will be updated to reflect the full 12 months of baseline data no later than January 31, 2012 at <http://www.dialysisreports.org/ESRDMeasures.aspx>.

The ESRD QIP supports the importance of a meaningful relationship between physicians, caregivers, and patients with ESRD. As a result of the ESRD QIP, patients on dialysis may notice a change at their facilities, such as staff seeking better ways to do their jobs safely and efficiently. However, the ESRD QIP will not change patients' rights, such as their power to decide how and where to be treated. Patients should also expect that their dialysis facilities will continue to respect their rights and address their concerns. For more information about resources for patients with ESRD, please visit Medicare's *Dialysis Facility Compare* website at <http://www.medicare.gov/dialysis>.

For more information about the final rule, please see:

<http://www.ofr.gov/inspection.aspx?AspxAutoDetectCookieSupport=1>

The final rule will appear in the Nov. 10, 2011, *Federal Register*.

For more information about the ESRD PPS and QIP, please see:

<http://www.cms.gov/center/esrd.asp>