

## Fact Sheet: Medicare End-stage Renal Disease (ESRD) Network Organization Program

### What is the history of the ESRD Network Organization Program?

In October 1972, Section 299I of Public Law 92-603 created the National End Stage Renal Disease (ESRD) Program that extended Medicare benefits to cover the high cost of medical care for most individuals suffering from ESRD.

The Social Security Amendments of 1972 (PL 92-603) extended Medicare coverage to individuals with ESRD who need either dialysis or transplantation to maintain life. At that time, the broad array of professionals and providers involved in the treatment of persons with ESRD indicated the need for a system to promote effective coordination of Medicare's ESRD Program. The federal government believed that integration of hospitals and other health facilities into organized Networks was the most effective way to assure delivery of needed ESRD care. Therefore, proposed regulations were published on July 1, 1975. Final regulations, which included provisions for implementing ESRD Network Organizations, were published on June 3, 1976. These regulations established 32 ESRD Network Organizations throughout the nation.

Congress changed the Medicare ESRD Program on June 13, 1978 (PL 95-292) to improve cost-effectiveness, ensure quality of care, encourage kidney transplantation and home dialysis, and increase program accountability. This legislation amended Title XVIII of the Social Security Act by adding Section 1881, which designated ESRD Network areas and established a statutory requirement for the Network Organization Program, consistent with criteria determined by the Secretary of the Department of Health and Human Services. To help achieve coordinated delivery of ESRD services, representatives of hospitals and health facilities serving dialysis and transplant patients in each area of the country were linked with patients, physicians, nurses, social workers, dietitians, and technicians into Network Coordinating Councils.

In 1987, Networks were condensed from 32 service areas into 18. Each Network includes representatives of the federally approved ESRD treatment facilities in its region, as well as patients and professionals involved in the delivery of ESRD services.

On July 1, 1988, CMS awarded contracts to 18 geographically designated ESRD Network Organizations to administer the ESRD Program. In 1989, CMS developed a Statement of Work (SOW) for one-year extensions of existing contracts to provide for operation of the Network Organizations as specified by §1881(c) of the Act. Also, in 1989, §1881(c) of the Act was amended by PL 101-239 to provide the Network Organizations both confidentiality in the medical review process and a limitation on liability. In 1990, CMS awarded two-year Network Organization contracts, with a one-year renewal period. Starting in July 1997, CMS entered into one-year contracts with two option years with the ESRD Network Organizations.

### What is the new ESRD Network SOW about?

The purpose of the Statement of Work (SOW) beginning January 1, 2013, is to delineate work to be conducted by each ESRD Network contractor in support of achieving national quality improvement goals and statutory requirements per Section 1881 of the Social Security Act and the Omnibus Budget Reconciliation Act of 1986. The SOW aligns Network activities with the Department of Health and Human Services National Quality Strategy, the CMS Three-part Aim, and other CMS priorities designed to improve care for individuals with ESRD.

### How can you learn more about the ESRD Network Program?

Learn more about the CMS ESRD Network Program online at <http://www.cms.gov/Medicare/End-Stage-Renal-Disease/ESRDNetworkOrganizations/index.html>