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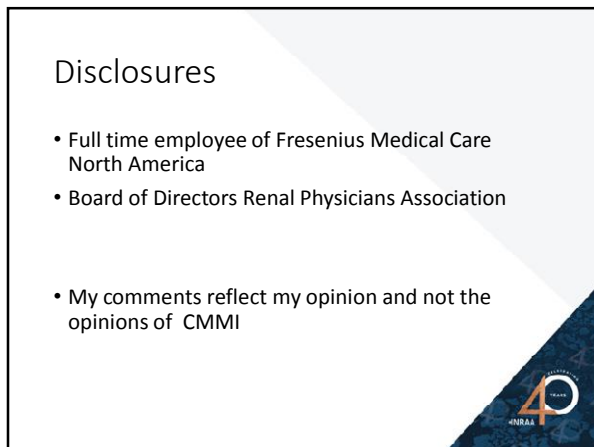
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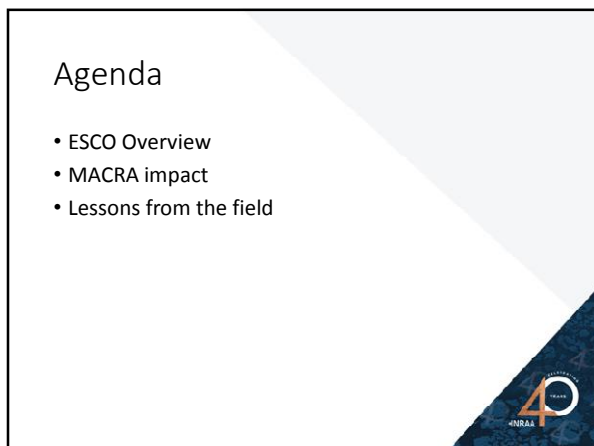
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# ESCO Overview




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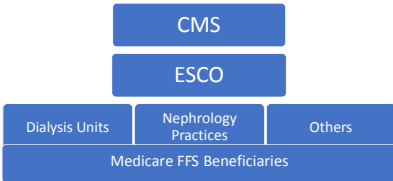
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# Understanding ESCOs

- Comprehensive ESRD Care Model (CEC)→ Improve outcomes and reduce costs for Medicare beneficiaries with ESRD
- End Stage Renal Disease Seamless Care Organization or **ESCO**
- Partnerships between nephrologists and dialysis providers
- Accountable for all facets of their matched beneficiaries' care
- Share savings with CMS if matched beneficiaries' expenditures decrease and quality is maintained or improved
- Share losses if beneficiaries' expenditures increase




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# Patient Eligibility

- Enrolled in Medicare Parts A and B
- Medicare is primary payer
- Not be enrolled in a Medicare Advantage plan, cost plan, or other non-Medicare Advantage Medicare managed care plan
- Not be affiliated with an existing shared savings program
- At least 18 years of age & reside in the US
- Not received a kidney transplant in the last 12 months
- Matching through "**first touch**"
- Receive at least 50% of annual dialysis services in the ESCO's market area




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## Patient Attribution



*Note: A beneficiary will be removed from the ESCO's list of aligned beneficiaries for the entire Performance Year if the patient received more than 50 percent of his or her dialysis services from one or more Dialysis Facilities outside of the Market of the ESCO during the Performance Year.*

- Beneficiary matching is based on the dialysis unit
- Initial matching is preliminary
- Final matching for shared savings/loss is retrospective
- Beneficiaries retain all of their freedom of choice
- Medicare continues to pay claims




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## Waivers

- Distribution of Shared Savings
- Patient Engagement Incentives
- Information Technology for Participants
- Performance-based Payments to Physicians
- Care Coordination Arrangements
- Remuneration Furnished by the Company
- In general the waivers offer protection from:
  - Physician Self Referral Law
  - Federal Antikickback Statute
  - Civil Monetary Penalty Law – Beneficiary Inducements
- **ESCO must meet all the conditions set forth in the waivers and by extension the conditions set forth in the Comprehensive ESRD Care (CEC) Initiative.**




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## Comparing LDO and non-LDO ESCOs

	Definition	Minimum patient number	Minimum savings rate	Cap
LDO	≥ 200 facilities	350	1.0%	10-15% <sup>3</sup>
Non-LDO	< 200 facilities	350 <sup>1</sup>	2.0-4.75% <sup>2</sup>	5%

<sup>1</sup> Aggregation option

<sup>2</sup> MSR = 4.75% for 350 patients, 2.0% for >2,000 patients

<sup>3</sup> 10% in PY1 & 2, 15% thereafter




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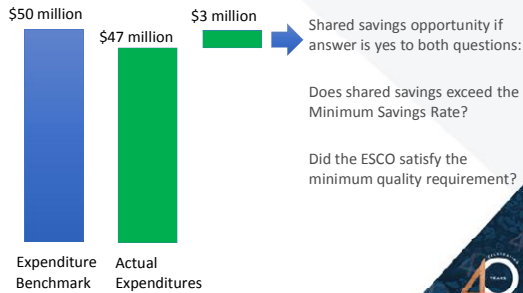
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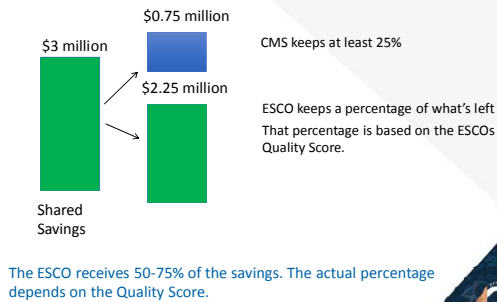
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## Hypothetical Shared Savings



## Shared Savings



## 2017 CEC Quality Measure Set

Measure Title	NQF #	Measure Source	Domain
<b>Data Source: Hybrid - Claims and Medical Records</b>			
Diabetes Care: Eye Exam	0055	NCQA	Effective Clinical Care
Diabetes Care: Foot Exam	0056	NCQA	Effective Clinical Care
Advance Care Plan	Adapted from 0136	NCQA	Person- and Caregiver-Centered Experience and Outcomes
Medication Reconciliation Post-Discharge	0554	NCQA	Communication and Care Coordination
Influenza Immunization for the ESRD Population	Adapted from 0226	KCOA	Population Health
Pneumococcal Vaccination Status	Adapted from 0045	NCQA	Population Health
Screening for Clinical Depression and Follow-Up Plan	Adapted from 0118	CMS	Population Health
Tobacco Use: Screening and Cessation Intervention	Adapted from 0018	AMA PCF	Population Health
Falls: Screening, Risk Assessment, and Plan of Care to Prevent Future Falls	Adapted from 0101	NCQA	Patient Safety
<b>Data Source: Survey</b>			
Kidney Disease Quality of Life (KDQOL) Survey	N/A	RAND	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Nephrologists' Communication and Caring	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Quality of Dialysis Center Care and Operations	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Providing Information to Patients	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Rating of Kidney Doctors	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Rating of Dialysis Center Staff	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
ICH CAHPS: Rating of Dialysis Center	0258	AHRQ	Person- and Caregiver-Centered Experience and Outcomes
<b>Data Source: Dialysis Facility Measure Results</b>			
Standardized Mortality Ratio	0369	CMS	Patient Safety

### Sliding Scale ESCO Performance or Improvement Points

Year 2 and beyond

Performance Scale	Quality Points	Improvement Scale
90+ percentile	2	Not applicable
75+ percentile	1.5	> 10%
50+ percentile	1	> 5-10%
30-49 <sup>th</sup> percentile	0.5	Up to 5%
<30 <sup>th</sup> percentile	No points	≤ prior year's rate

Each measure's score will be derived by:

1. Determining the performance and improvement points
2. Selecting the higher of the two values
3. Multiplying the higher value by the measure weight to determine the measure score




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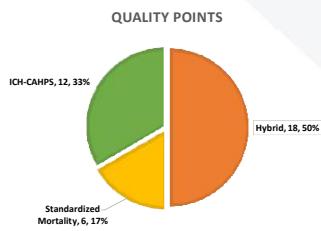
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### Quality Point Distribution




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### CMMI Operates 37 ESCOs

- Rogosin
- Atlantic Dialysis
- Centers for Dialysis Care
- Northwest Kidney Centers
- DaVita (3)
- Dialysis Clinic Inc (6)
- Fresenius Medical Care (24)



Source: Centers for Medicare & Medicaid Services




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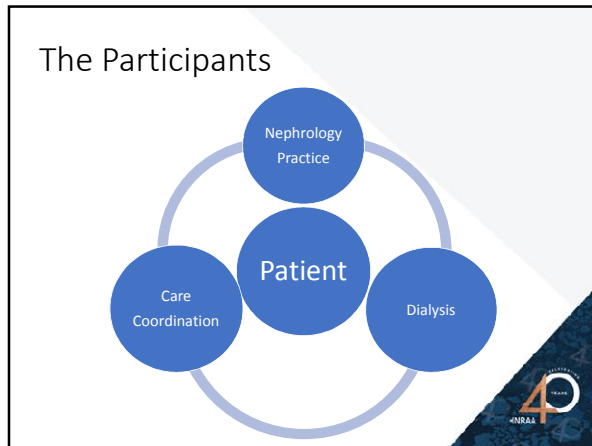
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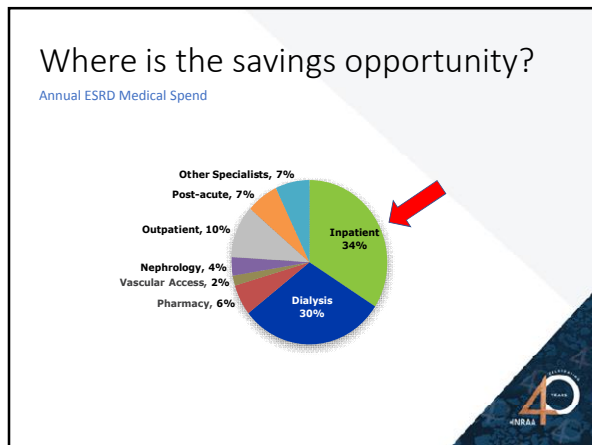
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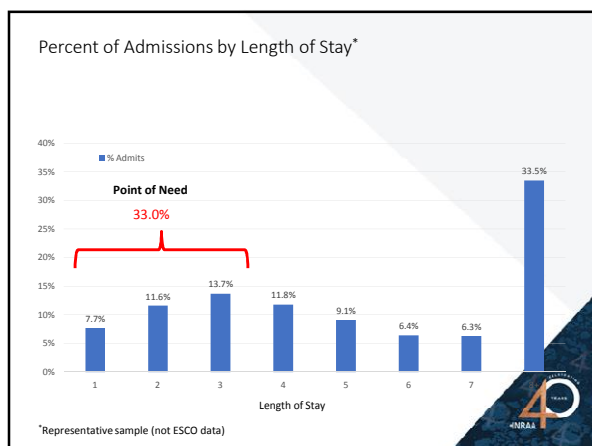
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# MACRA:

## Why it's Important




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# MACRA (2015)

- Medicare Access and CHIP Reauthorization Act of 2015
- Repealed the Sustainable Growth Rate formula
- Sunsets PQRS, MU and the VM at the end of 2018, creating the Merit-Based Incentive Payment System (MIPS)
- Creates 2 classes of providers
  - Enhanced FFS (MIPS)
  - Advanced Alternative Payment Model (AAPM) participants




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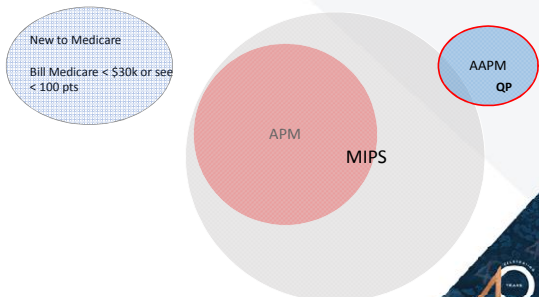

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# New World: The Quality Payment Program


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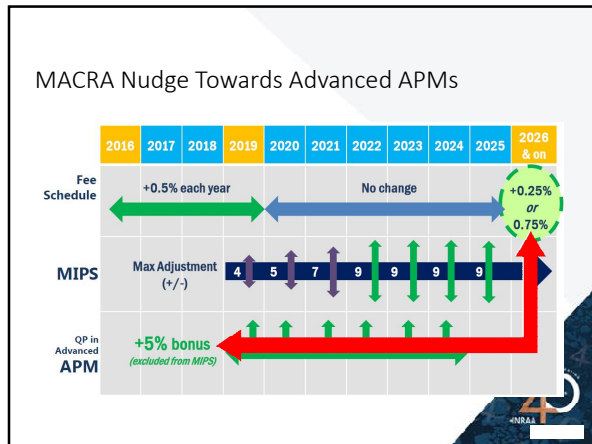
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### Advanced APMs

2017	2018
<ul style="list-style-type: none"> <li>MSSP Tracks 2 &amp; 3</li> <li>Next Generation ACO Model</li> <li><b>Comprehensive ESRD Care (CEC)</b> (Large dialysis organization &amp; non-LDO two-sided risk arrangement)</li> <li>Comprehensive Primary Care Plus (CPC+)</li> <li>Oncology Care Model (OCM) (two-sided risk arrangement)</li> </ul>	<ul style="list-style-type: none"> <li><b>Medicare ACO Track 1+</b></li> <li>Advancing Care Coordination Through Episode Payment Models</li> <li>Comprehensive Care for Joint Replacement (CJR)</li> <li>Cardiac Rehabilitation (CR) Incentive Payment Model</li> <li>Maryland All-Payer Model</li> <li>Medicare Diabetes Prevention Program</li> </ul>

[https://qpp.cms.gov/docs/QPP\\_Advanced\\_APMs\\_in\\_2017.pdf](https://qpp.cms.gov/docs/QPP_Advanced_APMs_in_2017.pdf)

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### Lessons Learned

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## Keys to Success

- Care coordination infrastructure
  - Communication
  - Transitions of care
  - Outside the “4 walls”
  - ~~Business as usual~~
- Actuarial insight & analytics
  - Data→Action→Insight
- Collaborative care team




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## Opportunities for improvement

- Shared savings → Capitated payment
- Quality score challenges
- Late stage CKD and Transplant not addressed




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## Summary

- The ESCO is a step in the right direction
- Opportunities for improvement exist
- Together with our nephrology partners we are developing the “muscle memory” necessary to succeed in the world of value based health care




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