Kidney Care Choices Overview for ACOs

Background

The CMS Innovation Center has created two payment models, collectively referred to as Kidney Care Choices (KCC), designed to improve the care of patients with chronic kidney disease. The work builds upon previous models, including the Comprehensive ESRD Care (CEC) Model, to make a set of healthcare providers accountable for the care of patients with later stages of chronic kidney disease (CKD) through dialysis, transplantation, and end-of-life care. KCC will start in 2021 and run through at least 2023. CMS has the option to extend the model for an additional two years, meaning it could run for five years total from 2021 through 2025. Participation is voluntary. More information can be found in this request for applications.

Kidney Care First is a single track that will offer adjusted capitated payments to nephrology practices for managing patients with stages 4 and 5 CKD and end-stage renal disease (ESRD). Payments will be adjusted up and down based on performance on quality and utilization measures. This option, which emulates the basic design of Primary Care First, will be an Advanced Alternative Payment Model (APM) starting in 2021.

Comprehensive Kidney Care Contracting offers three tracks, Graduated, Professional, and Global, much like Direct Contracting. Nephrologists and nephrology practices partner must partner with transplant providers, dialysis facilities and other providers to become Kidney Contracting Entities (KCEs) and be responsible for the total-cost-of-care for assigned patients. Other providers and suppliers who help coordinate care may be included. Entities may move from lower-risk options to higher-risk options at the start of each performance year but may not move from higher to lower risk. The Graduated option is a one-sided risk track. With the exception of the no-risk, Level 1 option for Graduated KCEs, the three options will be Advanced APMs starting in 2021.

Overlap with ACO Models

Kidney Care First
CMS will allow Kidney Care First practices and nephrologists to dually participate the Medicare Shared Savings Program. However, nephrologists and practices participating in both will be required to have a letter signed by the ACO acknowledging that the nephrologist or practice is simultaneously participating. Payments made through Kidney Care First for ACO-assigned beneficiaries will count as ACO expenditures. Kidney Care First practices will not be able to participate in Direct Contracting or other ACO models like the Next Generation ACO and CEC models, both of which expire at the end of 2020 anyway.

Comprehensive Kidney Care Contracting
Because CMS does not allow providers to participate in multiple shared savings arrangements, ACO participants would not be allowed to participate in Comprehensive Kidney Care Contracting.

Eligibility Requirements

Kidney Care First
Practices must have at least one nephrologist, and 80 percent of the nephrologists in the practice must participate in the model. The practice must provide care to at least 500 late-stage CKD and 200 ESRD Medicare patients over the last six months and receive at least half of its Medicare payments for services to beneficiaries with CKD, ESRD, or a functioning transplant. Dialysis facilities and other non-nephrology suppliers are not eligible to participate. Nephrology practices in Maryland are ineligible to participate. Practices will not be able to join Comprehensive Kidney Care Contracting once their participation agreement with CMS starts.

Comprehensive Kidney Care Contracting
KCEs must include at least one nephrologist or nephrology group practice and at least one transplant provider. Entities would operate much like today's ACOs or Direct Contracting Entities and be a legal organization with a governing body responsible for receiving and distributing shared savings payments, collecting shared losses, and establishing reporting mechanisms. Entities may contract with community-based organizations as partners, but those wouldn't be considered participants. KCEs must provide health services to at least 1,000 aligned Medicare beneficiaries with late stage kidney disease and 350 ESRD beneficiaries, but there is no minimum number of transplant recipients.

Key Model Details

Alignment
For both models, alignment doesn't limit patients' freedom of choice, although beneficiaries may opt out of CMS's sharing certain information of theirs with model participants.

Kidney Care First
The model prospectively assigns beneficiaries to practices based on nephrologist services, which differs from the CEC Model where alignment is based on the dialysis facility. Alignment will be updated quarterly. Patients may be retrospectively dealigned as part of the reconciliation process if they no longer satisfy the eligibility criteria. Dealignment occurs when patients don't receive care from a participating nephrologist during the year or receive a majority of Evaluation and Management (E&M) services at a different Kidney Care First practice or outside the practice's market area. Eligible patients are fee-for-service beneficiaries with stages 4 or 5 of CKD, ESRD, or a transplant recipient who was previously aligned to a KCF practice with late stage kidney disease or ESRD.

Alignment Criteria for KCF by Beneficiary Type

	Beneficiaries with CKD	Beneficiaries with ESRD	Beneficiaries who Receive Kidney Transplants
Aligning Participant	Nephrologist	Nephrologist	N/A – Must have been previously aligned by virtue of CKD or ESRD
Criteria for Alignment	Diagnosis of CKD stage 4 or 5; 2 or more E&M visits within a 6-month period with a KCF nephrologist	Diagnosis of ESRD; 2 or more Monthly Capitation Payment (MCP) visits within a 3-month period with a KCF nephrologist	Being previously aligned to the KCF practice as a CKD or ESRD beneficiary and receiving a kidney transplant

Comprehensive Kidney Care Contracting
The model will prospectively align beneficiaries through a claims-based process through nephrologists. Alignment will be retrospectively finalized as part of reconciliation after a run-out period following each performance year. Eligible patients are fee-for-service beneficiaries with stages 4 or 5 of chronic kidney disease, ESRD, or a transplant recipient who was previously aligned to a KCE participant with late stage kidney disease or ESRD. Alignment will be updated quarterly. Dealignment occurs when patients don't meet eligibility criteria, don't receive certain health services from a participating nephrologist during the year or receive a majority of certain health services outside of the KCE's market area.

Alignment Criteria for CKCC by Beneficiary Type

	Beneficiaries with CKD	Beneficiaries with ESRD	Beneficiaries who Receive Kidney Transplants
Aligning Participant	Nephrologist	Nephrologist	N/A – Must have been previously aligned by virtue of CKD or ESRD
Criteria for Alignment	Diagnosis of CKD Stage 4 or 5; 2 or more E&M visits within a 6-month period with a KCE nephrologist	Diagnosis of ESRD; 2 or more Monthly Capitation Payment (MCP) visits within a 3-month period with a KCE nephrologist	Being previously aligned to the KCE as a CKD or ESRD beneficiary and receiving a kidney transplant
Criteria for De-alignment	Beneficiaries no longer meet the criteria for alignment; receiving the majority of E&M visits from a non-KCE nephrologist, from a different KCE nephrologist in the market area, or outside the KCE market area	Beneficiaries no longer meet the criteria for alignment; receiving the majority of MCP visits from a non- KCE nephrologist, from a different KCE nephrologist in the market area, or outside the KCE market area	Beneficiaries no longer meet the criteria for alignment; kidney transplant failure (the beneficiary may be aligned as a CKD or ESRD beneficiary post-transplant failure if the applicable requirements for alignment are met)

Finance and Payment

Kidney Care First
Practices will receive the following payments for treating aligned beneficiaries:

- **CKD Quarterly Capitation Payment** – Combines payment for several different E&M and other care management codes for patients for stages 4 and 5 of CKD. Will not be risk adjusted.
- **Adjusted Monthly Capitation Payment** – Based on the current monthly capitation payment for managing an in-center dialysis patient with two to three visits a month. Payment meant to incentivize quality care over volume-based payment.
- **Kidney Transplant Bonus** – Delivered for aligned beneficiaries who receive a kidney transplant to incentivize keeping patients healthy. Will be up to $15,000 per transplant; $2,500 after one year, $5,000 after two years, and $7,5000 after three years, if the transplant remains successful.

CMS could increase a practice's revenue by up to 30 percent through a performance-based adjustment. Practices will be first measured on quality and utilization/outcomes measures. Adjustments could be as high as +20 percent or as low as -20 percent based on performance compared to other KCF practices. Each practice that meets the Quality Gateway will next be measured on improvement on utilization measures

relative to an earlier period. Comparisons will be made over six-month periods. Those bonuses could be between 3 percent and 5 percent.

Performance-based adjustment level	Percent Adjustment to CKD QCP and AMCP	Target: Percent Improvement on utilization measures needed to be eligible for continuous improvement bonus	Percent Adjustment to CKD QCP and AMCP	Maximum Upward Adjustment, if qualifying for continuous improvement bonus
Top 10% of KCF Practices	+20%	+3%	+10%	+30%
11 – 20% of KCF Practices	+16%	+3.5%	+8%	+24%
21% – 30% of KCF Practices	+12%	+3.5%	+6%	+18%
31% – 40% of KCF Practices	+8%	+4%	+4%	+12%
41% – 50% of KCF Practices	+2%	+4%	+4%	+6%
Bottom 50% of KCF practices and the top 50% of nephrology practices nationally	0%	+4.5%	+4%	+4%
Bottom 50% of KCF practices and 51% – 75% (25th to 50th percentile) of nephrology practices nationally	-6%	+4.5%	+4%	-2%
Bottom 50% of KCF practices and bottom 25 percent of nephrology practices nationally *and* cleared Quality Gateway	An amount sufficient to equal 8% of estimated revenue, which CMS believes will be a maximum of -20%	+5%	10%	-10%
Bottom 50% of KCF practices and bottom 25 percent of nephrology practices nationally *and* did not pass Quality Gateway	An amount sufficient to equal 8% of estimated revenue, which CMS believes will be a maximum of -20%	Won't be eligible for continuous improvement bonus because they didn't pass Quality Gateway	0%	-20%

Quality

The measures included in the Quality Gateway are:

- Gains in Patient Activation Measure (PAM) Scores at 12 Months; NQF #2483
- Depression Remission at Twelve Months – Progress Towards Remission; NQF #1885
- Controlling High Blood Pressure; NQF #0018

The utilization measures are:

- Optimal End Stage Renal Disease (ESRD) Starts; NQF #2594
- Hospitalization Costs
- Total Per Capita Costs (TPCC)

Comprehensive Kidney Care Contracting

KCEs will be offered the same quarterly capitation payment, adjusted monthly capitation payment and kidney transplant bonus as Kidney Care First participants. Like Direct Contracting, KCEs will have three options with various levels of risk and reward.

- **Graduated Option** – Entities may start in a one-sided risk track (up to 40 percent shared savings) in their first year and transition in their second year into two-sided risk (up to 50 percent shared savings based on quality performance and a 30% shared loss rate). After one year of risk in the Graduated Option, entities will transition to the Professional Option.
- **Professional Option** – Entities will share in 50 percent of the savings or losses in the total cost of Medicare Parts A and B for aligned beneficiaries.
- **Global Option** – Entities will be at risk for 100 percent of the total cost of care for all Medicare Parts A and B for aligned beneficiaries. Benchmarks will be separate for CKD and ESRD beneficiaries.

Benchmarking

CMS will calculate benchmarks each year using historical spending from 2017, 2018 and 2019. This baseline period will not change, but CMS will update benchmarks based on participant list changes. Base years will be weighted to give more weight to more recent years. Benchmarks will be trended to reflect changes in the regional Geographic Adjustment Factors. CMS will incorporate a regional adjustment into benchmarks. CMS expects to release additional information on risk adjustment in late 2019 or early 2020.

Regional and KCE historical blend for benchmarks by performance year

	Benchmark Component	PY1 (2021)	PY2 (2022)	PY3 (2023)	PY4 (2024)	PY5 (2025)
Composition of the KCE Benchmark	Historical Expenditure	65%	65%	60%	55%	50%
	Regional Adjustment	35%	35%	40%	45%	50%

CMS will employ a 3 percent discount to the ESRD portion of the benchmark, but not the CKD portion, for entities in the Global option for the first two performance years. The discount will increase by 1 percentage point in the third year and each subsequent year subject to adjustments described below, effectively requiring continuous improvement from Global KCEs. However, that discount could be then reduced by 0.5 percent if more than 90 percent of dialysis facilities in the market participate in the KCE. Additionally, if a beneficiary has remained in stage 4 or 5 of KCD for more than a year, CMS will increase the entities CKD portion of the benchmark by 1 percent as a reward for keeping the beneficiary off dialysis. CMS will offer

optional stop-loss protection for KCEs but will apply a PBPM "charge" to the final yearly benchmark. CMS expects to release more details on stop-loss in future white papers.

Global Option participants may elect to receive a total cost of care capitation that will be an alternative to fee-for-service that will encompass all Medicare Parts A and B services furnished to aligned beneficiaries. The monthly payments will equal one-twelfth of the discounted yearly benchmark minus adjustments for quality performance.

Quality

The measures included are:

- Gains in Patient Activation Measure (PAM) Scores at 12 Months; NQF #2483
- Depression Remission at Twelve Months – Progress Towards Remission; NQF #1885
- Controlling High Blood Pressure; NQF #0018
- Optimal End Stage Renal Disease (ESRD) Starts; NQF #2594

CMS is aiming to develop new performance measures, including standardized mortality rates for late stage CKD and ESRD, delay or reduction of progress to ESRD, and home dialysis and transplant rates.

KCEs are subject to a quality withhold. The withhold is 2.5 percent in Level 2 of the Graduated Option and 5 percent in the Professional and Global options. Level 1 of the Graduate Option doesn't use a quality withhold.

Benefit Enhancements*

- *Kidney disease education* – CMS is waiving requirements around Medicare's current kidney disease education services, which is used by less than 2 percent of eligible patients.
- *Telehealth* – CMS will waive geographic restrictions on the delivery of telehealth and allow patients to receive services in their homes. CMS will also conditionally allow asynchronous telehealth.
- *3-Day Skilled Nursing Facility Rule* – CMS will waive Medicare's requirement that patients have a 3-day inpatient stay before being admitted to a SNF. (Only available in CKCC.)
- *Post-discharge home visits* – CMS will allow up to nine post-discharge home visits within 90 days of an inpatient stay.
- *Home health benefit* – CMS would waive Medicare's homebound requirement for beneficiaries to receive home health services.
- *Home health services by nurse practitioners (NPs)*– CMS would allow NPs to certify that beneficiaries meet requirements to receive home health services.
- *Concurrent care for Medicare hospice benefit* – CMS would waive the requirement that beneficiaries give up their right to receive curative care as a condition of electing hospice care.

**Not available to KCEs in Level 1 of the Graduated option*

Interoperability

In the use of health information technology, participants in both models must:

- Make the full electronic health data available to patients within 24 hours of an encounter;
- Support data exchange by using 2015 Edition Certified EHR Technology that employs standards-based API for secure messaging and transition-of-care document exchange; and
- Connect to a regional and/or national/vendor-mediated health information exchange to send and receive electronic alerts for patient transitions from hospitals and other providers for all patients.

Application Information

Applications for both Kidney Care First and Comprehensive Kidney Care Contracting are due Jan. 22, 2020. Model participation will begin in 2020, however, payment adjustments will not begin until 2021.
CMS expects to offer another round of applications in 2020 or 2021. Practices approved to participate will sign agreements with CMS in the spring of 2020.

To file an application, applicants may access an electronic portal at https://innovation.cms.gov/initiatives/voluntary-kidney-models/. Questions about the application should be directed to KCF-CKCC-CMMI@cms.hhs.gov.