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## **Kidney Patients' Health Is Jeopardized by Proposed Medicare Changes**

### **New Report on the Medicare End Stage Renal Disease Program Recommends Policy Changes and Urges Focus on Innovation, Prevention, and Awareness**

December 10, 2007 (Washington, DC)—The Association of Minority Nephrologists and the National Minority Quality Forum today released a consensus report addressing proposed changes to the Medicare End Stage Renal Disease (ESRD) Program that are currently being considered by the U.S. Congress.

The House has passed the proposed changes, and the Senate will consider them soon. The purpose of the changes is to contain ESRD Program costs in the short term by reimbursing providers of ESRD care with a single payment for the complete range of treatments provided to ESRD patients.

Medicare is the primary payer for 80 percent of the more than 485,000 ESRD patients in the United States.<sup>1</sup> Currently, the Medicare ESRD Program pays an estimated \$20 billion for ESRD patients' dialysis, transplantation, and inpatient and outpatient care. Dialysis units are reimbursed for each treatment at a "composite rate" that is set by the government to cover the fixed costs of nursing, supplies, and equipment. They receive separate payments to cover the costs of some injectable drugs and diagnostic tests. Congress is currently considering legislation that would bring all Medicare ESRD services under a single, "fully bundled" rate.

The report finds that as early as the 1990s, previous Congresses had commissioned reviews of a fully bundled rate. These reviews found that bundling had the potential to deny beneficiaries access to medically necessary therapies. Proceeding with appropriate caution, under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), the 106th Congress mandated that the Centers for Medicare and Medicaid Services (CMS) complete a bundling demonstration project by 2006 to avoid any risk to patients. Because of the complexity of designing a demonstration of full bundling, CMS has not yet completed this requirement. Impatient with CMS's inaction, the House recently voted for the implementation of bundling without a demonstration.

"Approximately half of all U.S. patients with end-stage renal disease are members of racial or ethnic minority groups," said Gary A. Puckrein, PhD,

President and Chief Executive Officer of the National Minority Quality Forum. “We are extremely concerned that Congress would contemplate altering the payment system without studying the implications of bundling and without testing it as originally mandated under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.”

The consensus report cautions that small, independent dialysis facilities in rural and inner-city areas may also be negatively impacted by bundling. “Because these facilities may not have the volume of patients to manage the risks of an untested bundled system, they may be forced to close, which would harm many patients, particularly among minority populations,” said Dr. Puckrein.

The National Minority Quality Forum and the Association of Minority Nephrologists recognize that the costs of ESRD treatment must be contained, but they warn that the proposed bundled system is a short-term solution that would widen the gap between patients and the quality care that they need. “Resources and energy should be devoted to preventing end-stage renal disease and to finding more cost-efficient technologies and therapies to treat it,” said Keith Norris, MD, President of the Association of Minority Nephrologists. “The government plays a crucial role in stimulating the market and has the ability to encourage innovation and investment to reduce the cost in the ESRD Program, rather than force an untested system without a full understanding of risks and benefits for patient care. These are the tools needed to break this cycle of chronic disease among minorities and in the U.S. population as a whole.”

To view the consensus report (PDF), visit

<http://www.nmqf.org/Statements/ConsensusStatement071210.pdf>.

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## About the National Minority Quality Forum

The National Minority Quality Forum (formerly the National Minority Health Month Foundation) was founded in 1998 to address the critical need for strengthening national and local efforts to use evidence-based, data-driven initiatives to guide programs to eliminate the disproportionate burden of premature death and preventable illness for racial and ethnic minorities and other special populations. The Forum is a research and educational organization dedicated to ensuring that high-risk racial and ethnic populations and communities receive optimal health care. This nonprofit, nonpartisan organization integrates data and expertise in support of initiatives to eliminate health disparities. The Forum strives to prepare the health system in the United States to provide optimal health care for a diverse society. The Forum aims to assist health-care providers, professionals, administrators, researchers, policy makers, and community and faith-based organizations in delivering appropriate health care to minority communities. This assistance must be based on science, research, and analysis that lead to the effective organization and management of system resources to improve the quality and safety of

health care for the entire U.S. population, including minorities. To find out more, visit <http://www.nmqf.org>.

## About the Association of Minority Nephrologists

The Association of Minority Nephrologists was established in 1988 to help address the gross underrepresentation of African American Nephrologists in comparison to the percentage of African American patients with kidney disease and ESRD. Although nearly 30% of ESRD patients are Black, there are only slightly more than 200 Black nephrologists in the United States. The same discrepancy exists in the Hispanic and Native American communities. The Association has been dedicated to improving the health of all minorities. To find out more, visit <http://www.aomn.org/>.

## Note

1. Kidney Disease by the Numbers (Congressional Kidney Caucus) <http://www.house.gov/mcdermott/kidneycaucus/numbers.html> (accessed December 3, 2007); U.S. Renal Data System, "Précis," [http://www.usrds.org/2007/pdf/00a\\_precis\\_07.pdf](http://www.usrds.org/2007/pdf/00a_precis_07.pdf) (accessed December 3, 2007), p. 20, in USRDS 2007 Annual Data Report: Atlas of Chronic Kidney Disease and End-Stage Renal Disease in the United States (Bethesda, MD: National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, 2007).

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