



EDUCATIONAL RESOURCES

Overview End Stage Renal Disease (ESRD) – Dialysis Reimbursement

 RENAL DIALYSIS



ACHCU IS A BRAND OF ACCREDITATION COMMISSION *for* HEALTH CARE





- 28 yr old with history of granulomatosis polyangiitis
- ICHD 18 months / CVC as access
- Transplanted December 2001
- CVC pulled with Nocardial fungal infection at the tip of the catheter
- 7 months inpatient stay with IV sulfa therapy
- Placed on hospice November 2002
- Died December 2002

Objectives

Discuss the fundamentals of the Medicare End Stage Renal Disease (ESRD) Prospective Payment System (PPS).

- Evolution of the "Bundle" over time

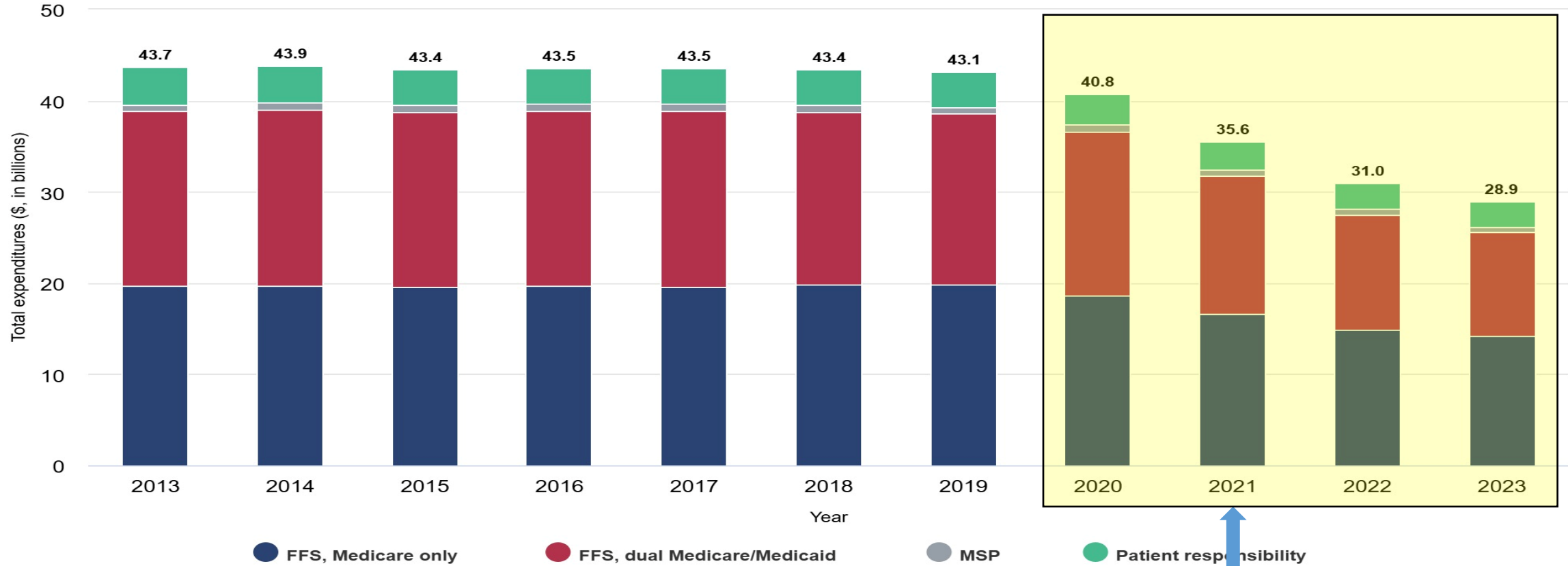
Understand how outpatient dialysis services are reimbursed.

- Medicare Fee For Service (FFS) vs. Medicare Advantage (MA)
- Dialysis Facility / Physician Practice

Overview of Payers - 2023 United States Renal Data Systems (USRDS)

Figure 9.3a Total FFS costs for people with ESRD, 2013-2023

Inflation adjusted



Data Source: 2025 United States Renal Data System Annual Data Report

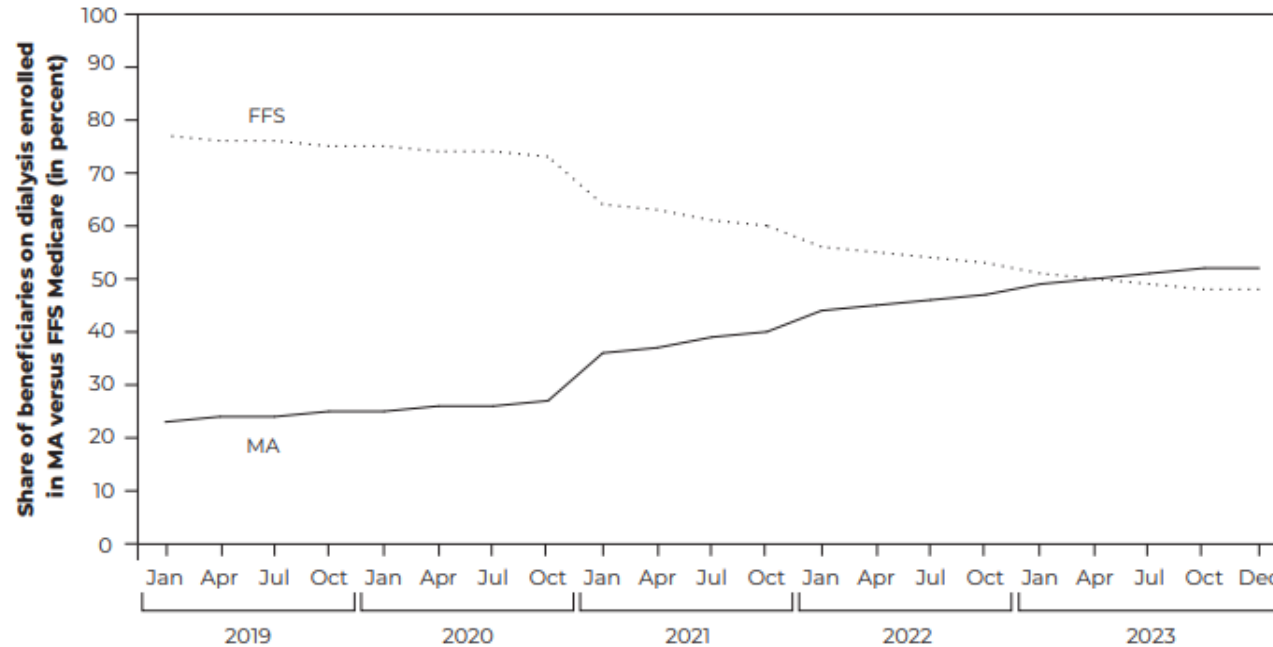
FFS = Fee for Service MSP = Medicare as Secondary Payor

21st Centuries Cares Act

Medicare Advantage (MA)

FIGURE 5-1

The share of beneficiaries on dialysis enrolling in MA plans continued to increase between 2021 and 2023



Note: MA (Medicare Advantage), FFS (fee-for-service). Beginning in 2021, the 21st Century Cures Act permits beneficiaries on dialysis to enroll in MA plans.

Source: Data compiled by MedPAC from CMS enrollment data and risk-score files, 2019–2023.

MedPac Report to the Congress: Medicare Payment Policy. March 2025.

- January 2021 – 21st Century Cures Act permitted patients on dialysis to enroll in MA plans.
- Popularity of MA plans: availability of supplemental benefits (dental, hearing, and vision) and lower cost-sharing liability. Primary tradeoff in choosing MA is access to the additional benefits, MA plans enrollees accept provider networks and utilization management tools.
- Among MA beneficiaries on dialysis – 58% were covered by 3 MA organizations:
 - UnitedHealth Group Inc.
 - Humana Inc.,
 - CVS Health Corporation - Aetna

Medicare Coverage

- For patients under the age of 65 and only eligible for Medicare because of dialysis, start date for Medicare depends on modality selected.
- ICHD: Coverage starts on the first day of the fourth month of dialysis.
- Home dialysis: First month of dialysis, if the following conditions are met:
 - Patient participates in a Medicare-certified home dialysis training program during the first three months of dialysis.
 - Patient maintains dialysis throughout the waiting period that would otherwise apply, Medicare coverage starts the month the patient begins dialysis and will cover surgery, or other services need to prepare for dialysis.

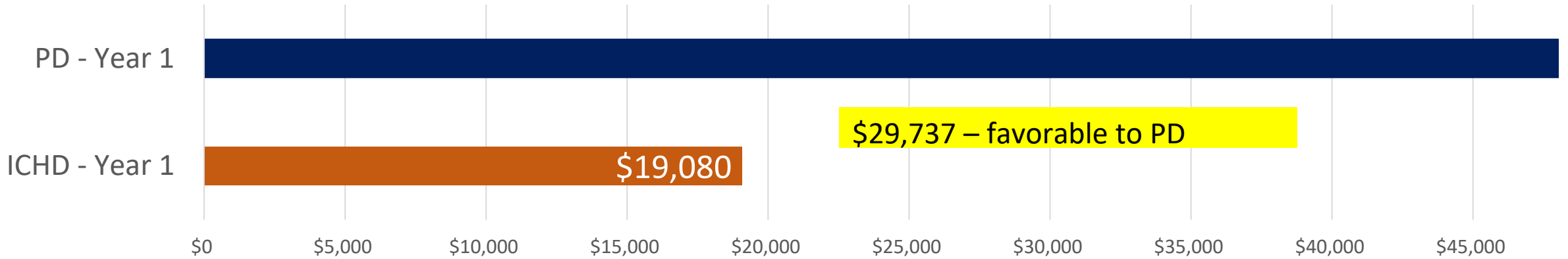
January						
		Home				
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

February						
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

March						
24	25	26	27	28	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
25	26	27	28	29	30	31

April						
ICHD						
1	2	3	4	5	6	7
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	1	2	3	4

PD compared to ICHD – Year 1, New to Dialysis, Applying for Medicare



Assumptions:

- ESRD PPS rate of \$273.82 with the onset of dialysis adjuster applied
- Patient is under 65 years of age and eligible for Medicare because of ESRD
- ICHD
 - First 90 days of ICHD no Medicare coverage
 - Onset of dialysis adjustment applied for treatments 91-120 days
- PD
 - Medicare coverage begins first month of dialysis
 - 10 initial training sessions



Dialysis Beneficiaries Expenditures

Per Person Per Year Medicare Fee for Service Spending by Modality

	2017	2018	2019	2020	2021	2022	2023
PD	\$89,577	\$87,800	\$88,123	\$85,190	\$89,872	\$85,845	\$87,750
HHD	\$109,180	\$111,086	\$111,688	\$107,038	\$115,646	\$113,900	\$117,566
ICHD	\$105,395	\$104,754	\$103,262	\$100,465	\$102,643	\$99,369	\$103,127

- Total inflation-adjusted Medicare expenditures for patients on dialysis in 2023 was \$55.3 billion.
- In 2023, ESRD accounted for 5.7% of total Medicare FFS expenditures.
- Medicare FFS expenditures are based on medical claims.
- Total Medicare expenditures for MA beneficiaries receiving dialysis are estimated using the total equivalent eligible MA months determined from the USRDS payer history files (PAYHIST) multiplied by the monthly payment rates for dialysis patients (which are flat rates for all patients with ESRD in each state) published by CMS.

Dialysis Per Person Per Year Spending

FFS, Medicare only	\$68,786
MA, Medicare only	\$94,356
MA, dual Medicare/Medicaid	\$101,240
FFS, dual Medicare/Medicaid	\$107,909

CMS Prospective Payment System (PPS) – The Bundle



“Effective January 1, 2011, Section 153b of the Medicare Improvements for Patients and Providers (MIPPA) requires the implementation of End Stage Renal Disease Prospective Payment System (ESRD PPS). The ESRD PPS provides a single payment to ESRD facilities that will cover all of the resources used in furnishing an outpatient dialysis treatment, including supplies and equipment used to administer dialysis (in the ESRD facility or at a patient’s home), drugs, biologicals, laboratory tests, training, and support services.”



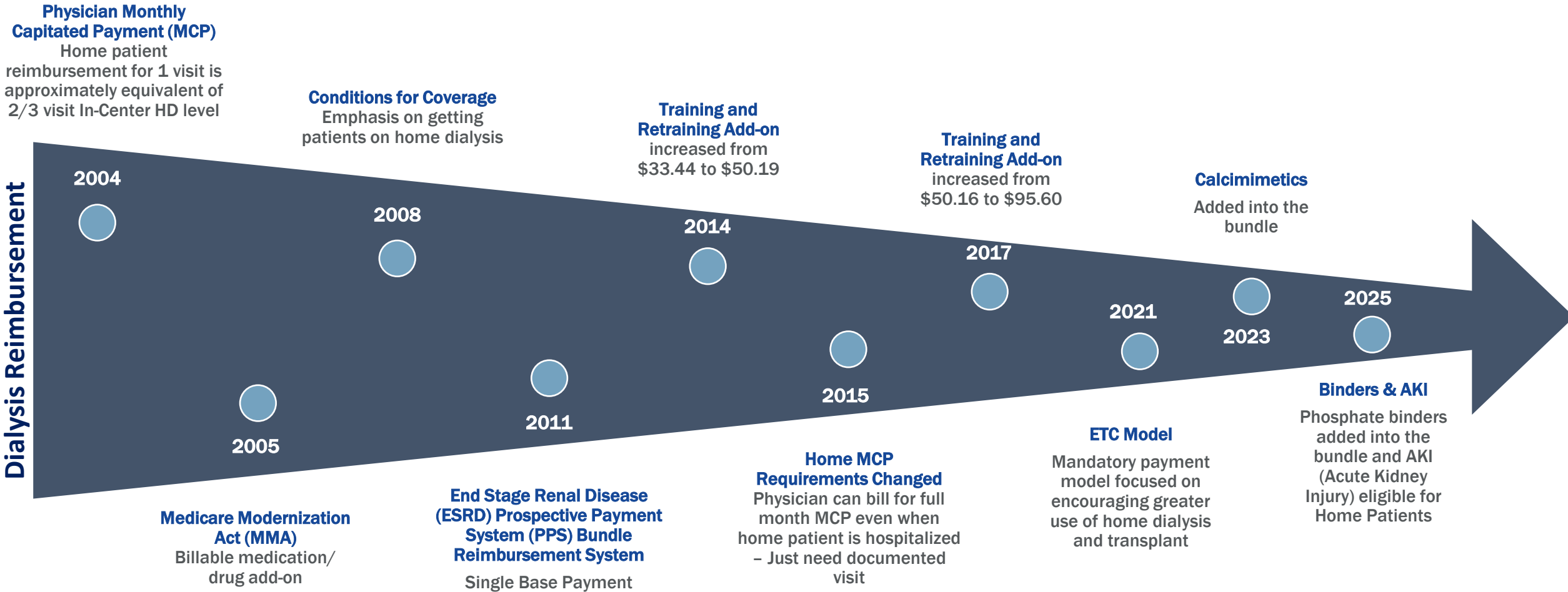
“All ESRD related services and supplies are paid to the ESRD facility through the ESRD PPS.”



“Other entities providing ESRD related services, including laboratories, suppliers and physicians billing for ESRD related drugs must look to the ESRD facility for payment.”

Medicare Claims Processing Manual. Chapter 8 – Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims. Rev. 12979. Issued 11-22-24.

CMS Continues to Incentivize the Use of Home Therapies through Regulatory Reform, with Finalization of the ESRD Treatment Choices (ETC) Model



CMS PPS



Calendar Year (CY) 2026 the PPS per-treatment base rate is \$281.71



CAPD and APD – daily payment rate is 1/7 of the three times the composite rate for a single hemodialysis treatment

$$\begin{aligned}
 & \$281.71 \times 3 = \$845.13 \\
 & \$845.13 / 7 = \$120.73 \text{ daily base payment rate for CY2026}
 \end{aligned}$$



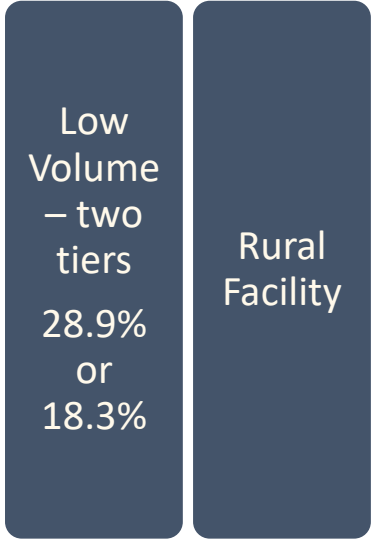
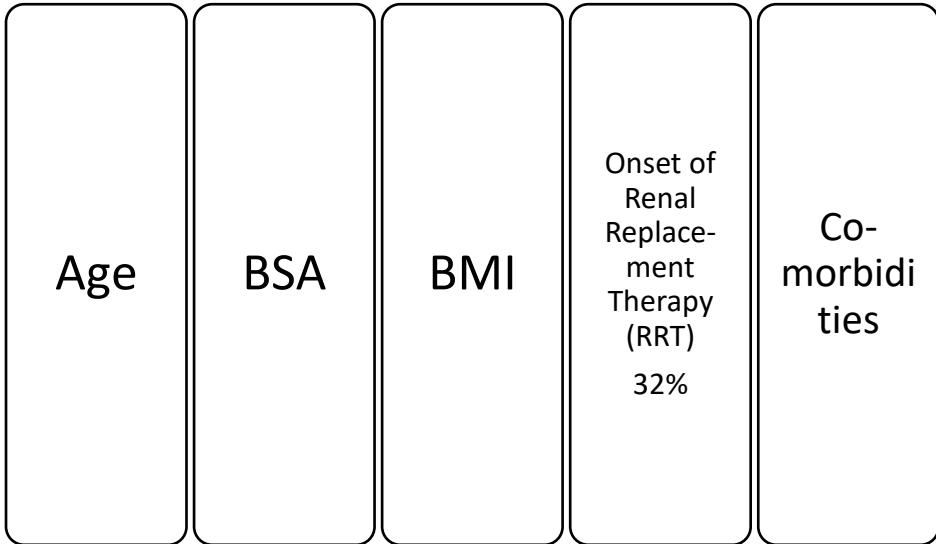
The weekly or daily rate is based on the equivalency of one week of CAPD/APD to one week of HD

Federal Register. Vol. 89. No. 218. November 2025
Medicare Claims Processing Manual. Chapter 8 – Outpatient ESRD Hospital, Independent Facility, and Physician/Supplier Claims. Rev. 12979. November 2025.

CY 2026 PPS / Bundle \$281.71

Patient Adjusters

Facility Adjusters



As if that isn't complicated enough!

BSA = Body Surface Area BMI = Body Mass Index

CMS PPS – QIP

- ESRD QIP – End Stage Renal Disease Quality Incentive Program
- Implemented in 2012 as part of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)
- Payment reductions: no reduction, 0.5%, 1.0%, 1.5%, or 2.0%
 - HD: Impact of 2.0% reduction: $\$281.71 \times 2.0\% = \5.63 reduction per HD treatment.
 - Monthly: 13 HD treatments $\times \$5.63 = \73.19 reduction
 - Annually: 156 treatments $\times \$5.63 = \878.28 reduction/patient
 - PD: $\$120.73 \times 2.0\% = \2.41 reduction per daily PD treatment
 - Monthly: $\$2.41 \times 30.42$ treatments/month = $\$73.41$ reduction
 - Annually: $\$2.41 \times 365$ treatments/year = $\$879.65$ reduction/patient

Clinical care (35%)
Kt/V, Long-term catheter, transfusion

Care coordination(30%)
Hospitalization ratio, Readmission ratio, transplant waitlist, depression screening

Patient & Family engagement (15%)
In-Center Hemodialysis Consumer Assessment (ICH CAHPS)

Safety (10%)
National Healthcare Safety Network (NHSN) Bloodstream infection

Reporting (10%)
Hypercalcemia, MedRec, COVID-19 HCP

CMS PPS – TDAPA/TPNIES

TDAPA – Transitional Drug Add-On Payment Adjustment

- Payment adjustment for certain new renal dialysis drugs and biological products
- Help facilities to incorporate new drugs and biological products
- Akebia's VAFSEO (vadadustat): January 1, 2025 – December 31, 2026
- CorMedix's DEFENCATH (taurolidine and heparin): July 1, 2024 – June 30, 2026
- Plus on-going adjustments for phosphate binders

TPNIES – Transitional Add-On Payment Adjustment for New and Innovative Equipment and Supplies

- Facilities receive an add-on payment adjustment for certain qualifying, new and innovative equipment and supplies for renal dialysis
- No items that qualify for TPNIES in CY 2026

CMS PPS – Training/Retraining

- Home dialysis training add-on payment accounts for the nursing time for training treatments
- Applies to both PD and HD training treatments
 - Maximum of 15 training sessions for PD
 - Maximum of 25 training sessions for HD
- Home dialysis training add-on payment is \$95.60 – adjusted by the wage index and added to the PPS base rate
- Retraining sessions
 - Patient changes from one mode of dialysis to another (HD to CAPD)
 - Patient's home dialysis equipment changes
 - Patient's dialysis setting changes
 - Patient's dialysis partner changes
 - Patient's medical condition changes (e.g., temporary memory loss due to stroke, physical impairment)

CMS PPS – Phosphate Binders

- New for **CY 2026** – phosphate binders are included in the ESRD PPS bundle
- Facilities will receive a TDAPA payment based on 100% of each product's Average Sale Price (ASP) plus a fixed-rate addition of **\$36.41** per monthly claim for at least two years.
- CMS expects that beneficiary access to phosphate binders will increase with the inclusion in the bundle because not all FFS beneficiaries on dialysis are enrolled in Part D or have drug coverage comparable with Part D.
 - J0601 Sevelamer carbonate (renvela or therapeutically equivalent), oral, 20 mg (for esrd on dialysis)
 - J0602 Sevelamer carbonate (renvela or therapeutically equivalent), oral, powder, 20 mg (for esrd on dialysis)
 - J0603 Sevelamer hydrochloride (renagel or therapeutically equivalent), oral, 20 mg (for esrd on dialysis)
 - J0605 Sucroferric oxyhydroxide, oral, 5 mg (for esrd on dialysis)
 - J0607 Lanthanum carbonate, oral, 5 mg (for esrd on dialysis)
 - J0608 Lanthanum carbonate, oral, powder, 5 mg, not therapeutically equivalent to j0607 (for esrd on dialysis)
 - J0609 Ferric citrate, oral, 3 mg ferric iron (for esrd on dialysis)
 - J0615 Calcium acetate, oral, 23 mg (for esrd on dialysis)

MedPac Report to the Congress: Medicare Payment Policy. March 2025.
MLN Matters. ESRD & AKI Dialysis: CY 2025 Updates. MM13686. December 12, 2024

CMS PPS – AKI (Acute Kidney Injury)

New for CY 2025 – Medicare will pay for Acute Kidney Injury (AKI) for AKI dialysis treatments at home.

AKI dialysis payment rate for CY 2025 is \$273.82

Eligible for home dialysis training add-on of \$95.60/training session

No reduction for ESRD QIP

TDAPA, TPNIES, and TPEAPA don't apply to AKI claims (TPEAPA Transitional Pediatric ESRD Add-on Payment Adjustment)

AKI patients will continue to receive phosphate binders through Part D

MLN Matters. ESRD & AKI Dialysis:CY 2025 Updates. MM13686. December 12, 2024

Physician Practice



2026 Medicare End Stage Renal Disease (ESRD) Reimbursement




Dialysis Facility—Reimbursed under the ESRD Prospective Payment System (PPS)

- Dialysis facilities receive the ESRD bundled payment regardless of whether the patient dialyzes in-center or at home
- Reimbursed a bundled rate for all dialysis nursing services, equipment, supplies, training, drugs and lab tests
- Dialysis facility responsible for providing all equipment, supplies, and drugs to the patient's home

Physician—Reimbursed under the Medicare Physician Fee Schedule (MPFS)

- Reimbursed for ESRD related services **per month** using monthly capitation payment (MCP) codes appropriate for patient age and setting of care (outpatient vs. dialysis services provided in the home)

In-Center HD			
	ESRD PPS		2026 Medicare ESRD PPS base rate
	Three PPS payments per week		$\$281.71 * 13 = \$3,662.23$ (30-day month)
Outpatient ESRD related services—patients 20 years of age and older			
	CPT Code	Description	2026 Medicare National Average Reimbursement
	90960	ESRD related services monthly, for patients 20 years of age and older; with 4 or more face-to-face visits by a physician or other qualified HCP per month	\$374.61
	90961	; with 2-3 visits...	\$312.18
	90962	; with 1 visit...	\$216.17

PD at home			
	ESRD PPS		2026 Medicare ESRD PPS base rate
	PD is reimbursed at same base rate – policy allows for 3 PPS payments per week regardless of modality		$\$281.71 * 13 = \$3,662.23$ (30-day month)
ESRD related services for home dialysis-patients 20 years of age or older			
	CPT Code	Description	2026 Medicare National Average Reimbursement
	90966	ESRD related services for home dialysis per full month, for patients 20 years of age and older	\$311.84

Physician practice – Reimbursement for Education

- **Physician Self-Dialysis Training Services - \$500**
 - CPT Code 90989 – completed course
 - Should not be submitted until the patient's home training has been completed
 - Dollar amount is a flat fee of \$500, subject to deductible and co-insurance requirements
 - If training course not completed, training rate is prorated based on the number of training treatments completed, not to exceed \$500 (\$20 per training treatment)

- **Kidney Disease Education (KDE):** To help patients with CKD stage IV prepare for future dialysis, Medicare will reimburse for up to six KDE sessions.
 - Physician, Physician Assistant, Nurse Practitioner, or Clinical Nurse Specialist
 - HCPCS codes
 - G0420 – individual session, national average ~\$110/session
 - G0421 – group session (2-20 people), national average ~\$26/patient/session





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Thank you

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