

## **CMS Releases Final Rule for ESRD Treatment Choices (ETC) Payment Model**

On September 18, CMS released the long-awaited ESRD Treatment Choices (ETC) Payment Model final rule. A top line review of changes that CMS made, and other highlights is as follows:

- It now is mandatory for only 30% of the country, not 50% as proposed;
- The performance measurement period begins 1/1/21;
- Thus, on 1/1/21, CMS will begin determining which practices are getting their patients on home dialysis, so the measurement for the 3% bonus begins then, and as proposed the bonus will be 2% for 2022, and 1% for 2021;
- The Performance Payment Adjustment (PPA) for transplant is now uses waiting list and living donation as metrics for measurement;
- The span of possible bonuses and penalties has been reduced, with the maximum bonus now at 8%, and the maximum penalty now 9%;
- Aggregation for nephrology practices and dialysis companies will now be at the Hospital Referral Region (HRR) level (which CMS is using in lieu of CBSA as a geographical unit of measurement);
- Bonuses and penalties will evidently be distributed on 7/1/22, to allow for the performance period to occur, claims run out, and CMS to calculate the bonuses and penalties;
- Nephrology in aggregate is in positive territory in terms of financial impact according to CMS actuarial projections of how the dollars are coming out, and this is likely due to CMMI not using a forced curve re positive/negative dollars;
- There will not be annual rulemaking, but the rule evidently makes reference to subsequent rulemaking, so there will be an avenue through which change could happen in the future;
- Nephrology practices will be advised by mid-October or so if they have been selected;
- There will be no reporting necessary from nephrology practices, performance will be based on claims data.

At first glance it seems that for the most part CMS was fairly responsive to community input, but more analysis of the rule will be necessary to be sure.