End Stage Renal Disease Seamless Care Organizations (ESCO):
Accepting Risk in a Dialysis facility

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Don’t let the Laugh be on you!

AND WE SHALL CALL IT...

THE "AFFORDABLE" HEALTHCARE ACT

ACA and Coverage Expansion

• New “law of the land”…now we have to implement it
• Public Exchanges off to very rocky start
• Private Exchanges gaining momentum
• Exchanges shift the market toward retail

Why ESRD Matters

• Nearly 20 million US adults with CKD
• ESRD 0.9% of Medicare beneficiaries (<500,000), but about $30 billion in Medicare spending >7%)
• More than $65k per ESRD beneficiary (vs. ~$11k for all beneficiaries)
• Significant co-morbidities often present (depression, diabetes, CHF)
• “…An ounce of prevention”

Current CKD/ESRD Payment System

• Provider-centric
• Volume-driven
• Quality given “attention”
• No focus on inefficiency
• Lack of alignment
• Safety??
Reduce health care costs

The Triple Aims of Health Care

To Achieve the Triple Aim...

Providers must be able to:

- Allocate resources to deliver population-level care in area of core competency
- Leverage economies of scope and scale to allow these same resources to fund research
- Develop and implement key programs to further improve outcomes

Innovation in the health care model is required

ESCO Entity Structure

ESCO PARTICIPANTS

| Dialysis Provider | Nephrology group(s) | OPTIONAL: Hospitals, MSGs, other providers |

Each ESCO will have a Governing Body with final decision authority to execute functions of ESCO

ESCO Landscape

13 ESCOs across the country

ESCO Care is Delivered Locally

- ESCOs operated in a local market
- MFFS patients attributed by dialysis facility
- Clinical interventions delivered by care teams

Key Clinical Interventions

- Preventive care
  - Flu
  - Diabetes
  - Medication
- Transition of care / high-risk patients
- Health and well-being
  - Home safety
- Higher quality, lower care costs
- Readmission prevention
- Differential care for “most vulnerable patients” (MVPs)
- Predictive modeling
- Advance Care Plan (ACP)
- Modality counseling
- Transplant
Future CKD/ESRD Payment System

- Patient-centric
- Quality driven
- Utilization focused
- Collaboration focus
- Safety focus

Future Payment Methods for CKD

- Paid for
  - Smooth transitions
  - Patients starting dialysis with a working fistula or graft
  - Willingness to take risk for CKD patients
- All-inclusive fee for managing CKD patients

THANKS!

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"It's not enough to just show up. You have to have a business plan."