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Advancing the management
of Chronic Kidney Disease.



Today's Topics



- Chronic Kidney Disease – Causes & Financial Impact
- Managing comorbid conditions that lead to Chronic Kidney Disease
- The Medicare Secondary Payer – explanation and impact
- Litigation, CMS Complaints, & Patient Advocacy Groups
- How can you protect your plan from a lawsuit and still provide significant savings on dialysis

Chronic Kidney Disease – Causes & Financial Impact

Diabetes causes 44% of all cases of Kidney Failure

High Blood Pressure causes 29% of all cases of Kidney Failure

8TH

leading cause of death in the US.

**3rd Highest Catastrophic Claims
Category for 2016***

**The Only One Predictable and
Preventable**

*According to Sun Life annual Stop Loss Report



40,000,000

People are estimated to have kidney disease
in the United States

**Most (96%) people with
kidney damage are not
aware of having CKD**

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\$900,000

Annual payments for a patient with end-stage renal disease.

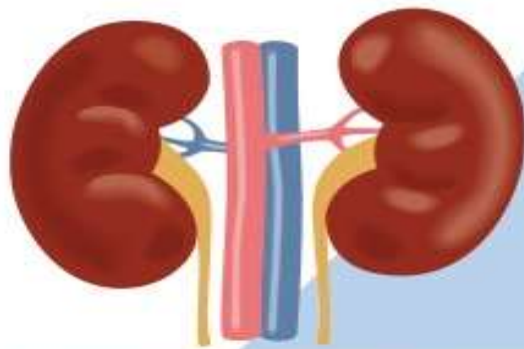
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12/6/2017

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Progression and Stages of Chronic Kidney Disease

PROGRESSION OF CHRONIC KIDNEY DISEASE (CKD)



RISK FACTORS FOR CKD MAY INCLUDE

- Heart Disease
- Diabetes
- High Blood Pressure
- Obesity
- Lupus
- Family History of CKD
- Age
- High Cholesterol

NORMAL

**INCREASED
RISK**

**KIDNEY
DAMAGE**

**REDUCED
KIDNEY
FUNCTION**

**KIDNEY
FAILURE**

Preventing CKD and its complications is possible by managing risk factors and treating the disease to slow its progression and reduce the risk of complications

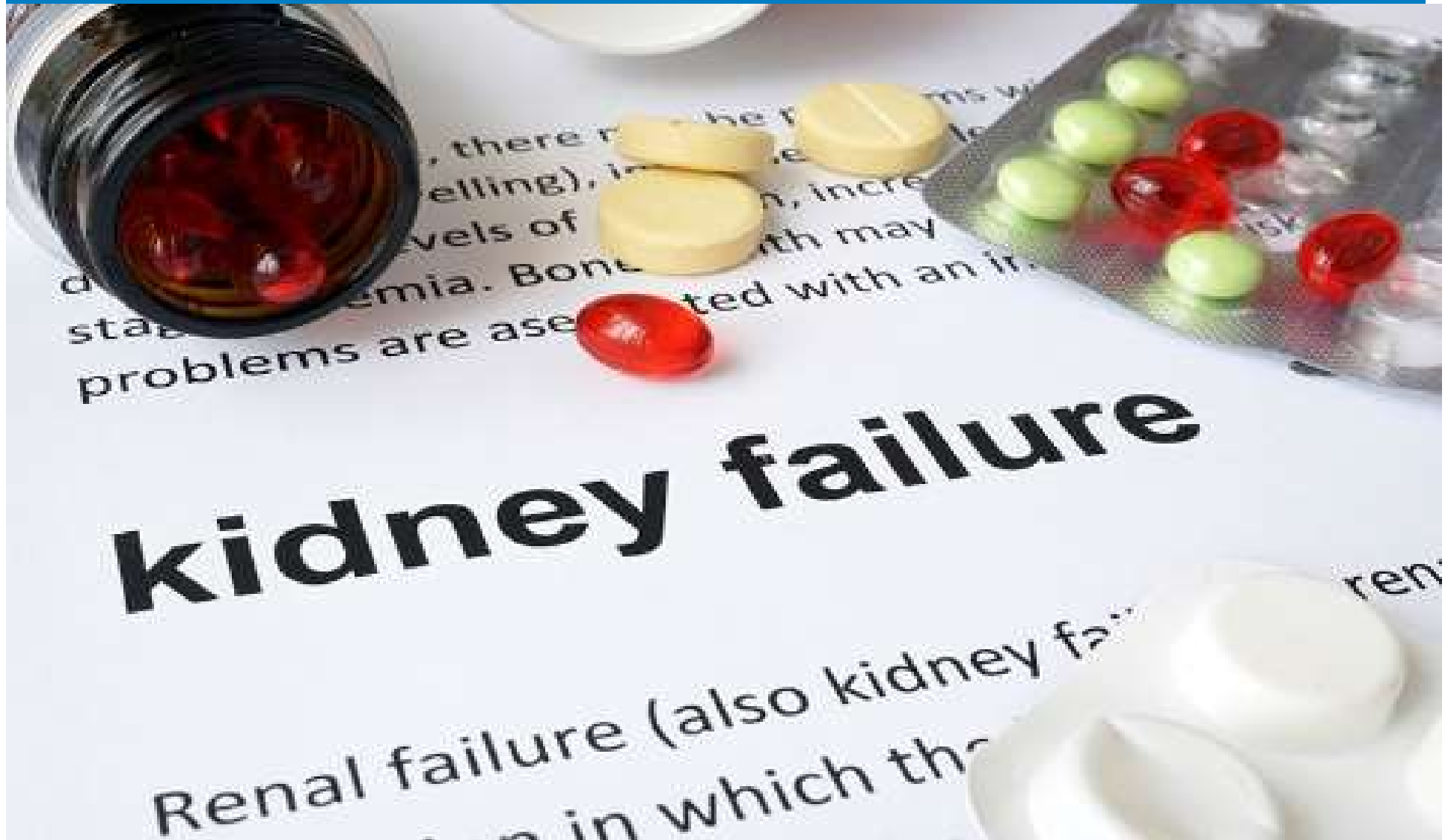
Let's talk Diabetes

Fast Facts on Diabetes

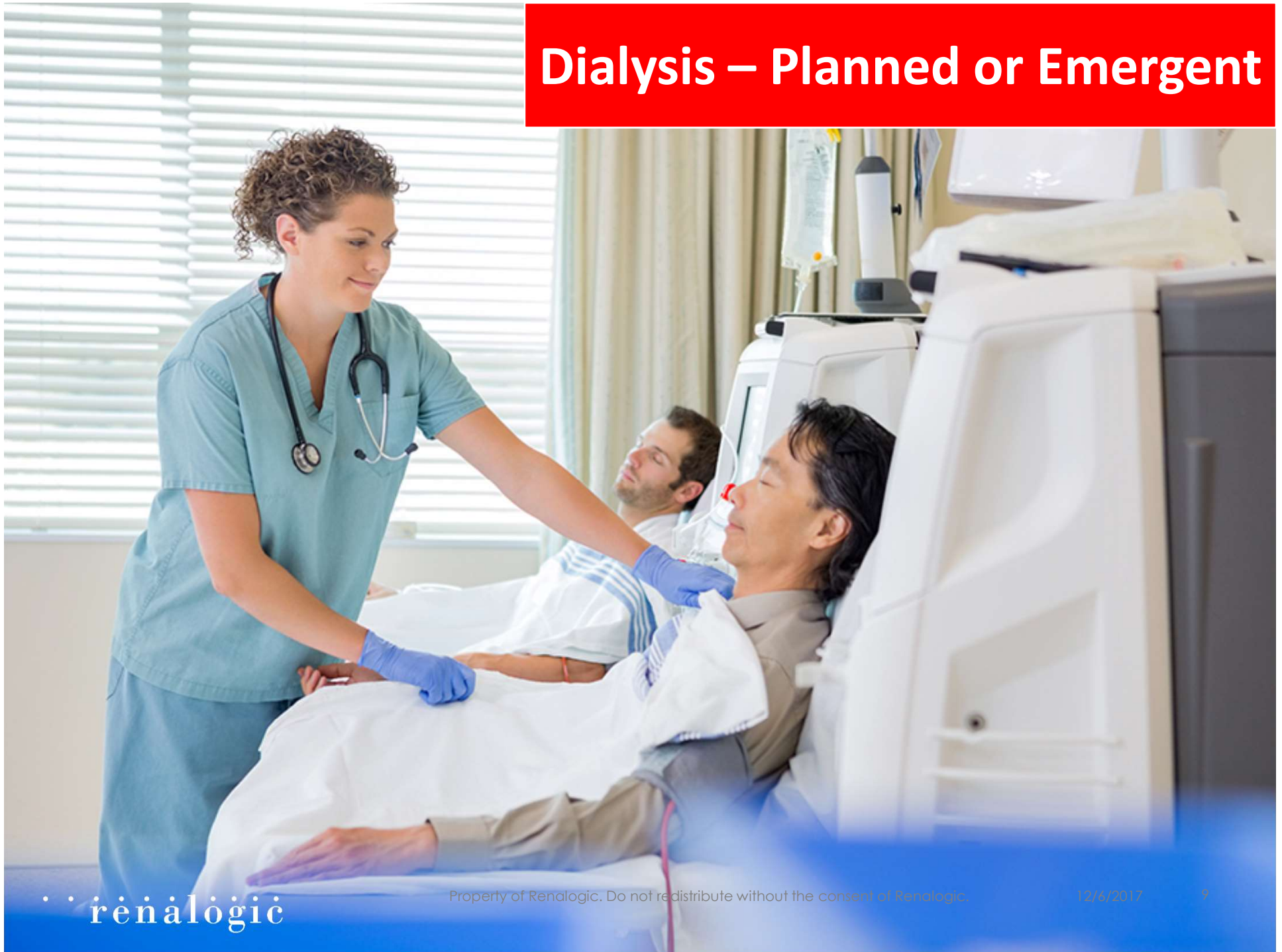
- Did you know that more than 30 million, or 1 in 9 US adults have diabetes and 25% of them don't know it
- About 86 million US adults – more than a third– have prediabetes, and 90% of them don't know it
- More than 20% of health care spending is for people with diagnosed diabetes
- In 2014, a total of 7.2 million hospital admissions were reported with diabetes listed as a diagnosis
- Diabetes is the leading cause of kidney failure, lower-limb amputations, and adult-onset blindness
- Diabetes was the 7th leading cause of death in 2013, Kidney Disease comes in at #8

**What happens to
the member if
proper treatment
and lifestyle
changes do not
occur?**

Kidney Failure



Dialysis – Planned or Emergent



Dialysis and End Stage Renal Disease

Chronic Kidney Disease (CKD) is a condition in which the kidneys cannot filter blood as well as healthy kidneys. Because of this, excess fluid and waste from the blood remain in the body and cause serious health problems that lead to End Stage Renal Disease (ESRD).

ESRD is a complete loss of kidney function and dialysis is required to sustain life.

Home vs. In-Center Dialysis

Planned vs. Emergent Dialysis



Emergent Start Dialysis

- Very dangerous & costly way to start dialysis
- **91%** of dialysis patients are on in-center programs
- **Over 80%** start emergently with a hospitalization, inpatient placement of a neck catheter & inpatient dialysis
- Patients dialyzing on central catheters have a **53% higher mortality rate in the first year**; a 38% higher risk of cardiovascular event; and double the infection rate of patients dialyzing on other modalities

Source: USRDS 2012 Report

**How can you help
your members stop
the progression to
Kidney Failure**

Identify - Test - Treat - Manage

- **Renal Risk Analysis**
- **Kidney Function Test:** is a specific blood and urine test that includes measurement of both the creatinine level in the blood and protein in the urine
- **Treatment:** referral to a Nephrologist
- **Manage:** due to the complexity of the comorbid conditions that lead to kidney disease and/or failure it is important to hire specialist in renal & diabetic care. Managing the *whole* member is the key to help stop the progression and give members a sense of hope and a happier, healthier life!

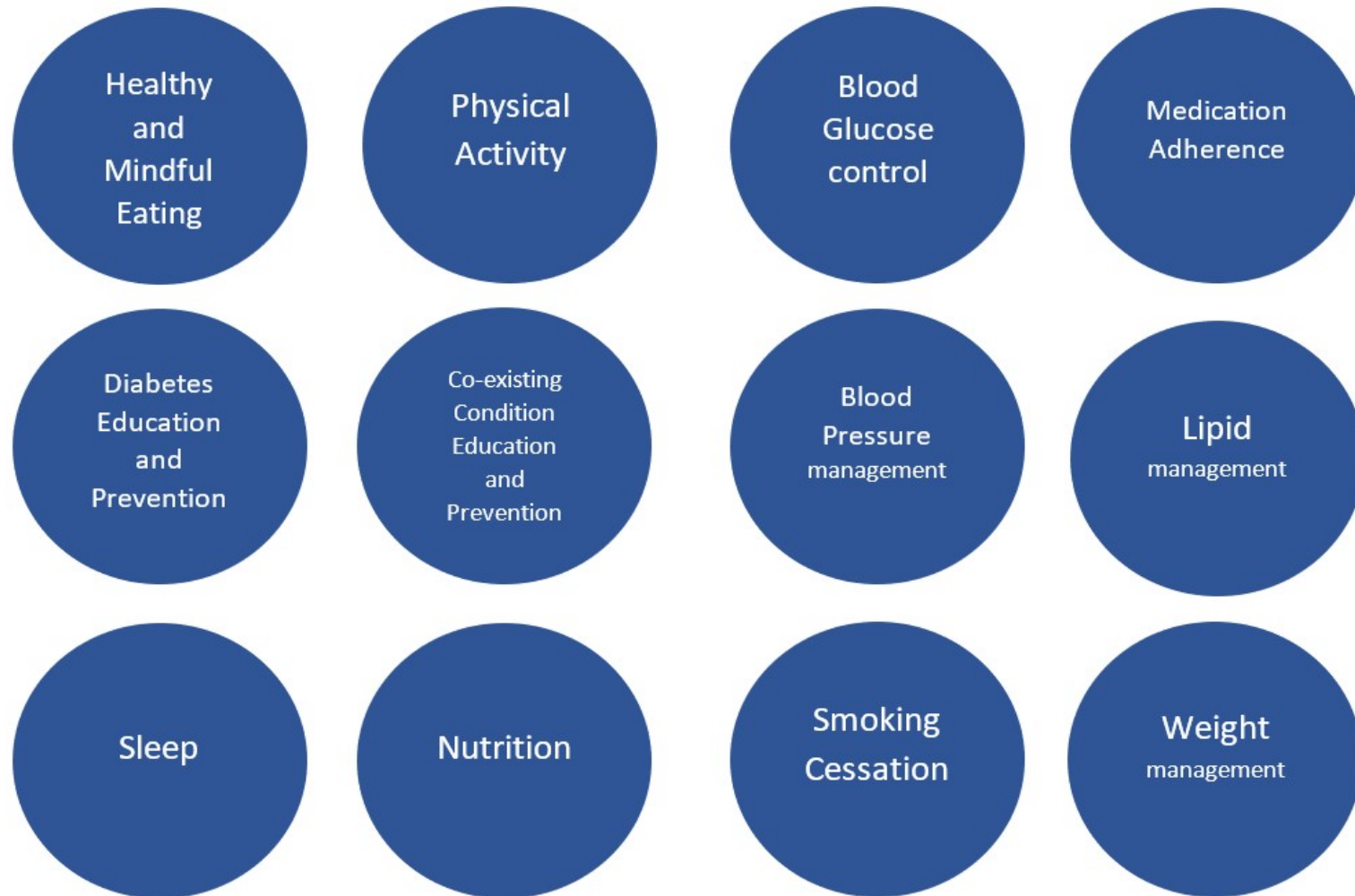
What do our nurses do?

Our nurses are patient advocates.

They help members coordinate with all of their healthcare providers. Their goal is for members to be able to successfully and confidently manage their health and healthcare needs.



Diabetes & Chronic Disease Interventions



Program Goals

For Employers and Plans:

- Reduce current costs and avoid future high claim costs
- Reduce inpatient admissions and ED visits for participating members
- Members remain healthy and employed

For Members:

- Avoid diabetes & other comorbid-related complications through effective management of the disease
- Provide education and support to enable members to take more control over their health and participate in informed treatment decisions
- Improve co-existing chronic condition management
- Spare unnecessary ED visits and inpatient days
- Improve member outcomes and quality of life



Example of Plan Savings – First 10 Months

Since the program implementation:

- ✓ ER Visits decreased 19%
- ✓ Inpatient Visits decreased 20%
- ✓ Diabetes Costs decreased 20%
- ✓ Cardiac Disorders Costs decreased 21%
- ✓ Renal & Urological Costs decreased 17%
- ✓ Urgent Care Visits increased 11%
- ✓ Preventative Office Visits increased 13%

**What is going on in
the dysfunctional
market of dialysis?**

Are you ready?

Litigation & Provider Threats

- **Lawsuits filed – Violation of the Medicare Secondary Payer Act (MSP)**
- **Dialysis Patient Advocacy – Complaint Filed with CMS**
- **Penalty for violating the MSP Act is Double Damages**

*See e.g. DSI Laredo Dialysis v. Community Health Systems (US D. Tx 2016) and Bio-Medical Applications of Tennessee v. Central States (US D. Tn 2009).

What is the Medicare Secondary Payer Act



The Medicare Secondary Payer Act

In 1980, Congress passed the Medicare Secondary Payer Act (MSP).

The MSP Act was enacted to protect the Medicare Trust Fund and preserve Medicare's viability by ensuring that Medicare does not pay for medical care for which other insurance coverage exists and therefore has primary responsibility. A secondary payer pays only to the extent that full payment has not been made by the primary.

MSP – Who is the Governing Agency

State Law and Policy Provisions

Medicare, including MSP, is governed under Federal law

Most NGHP insurance policies are governed by State law

Most GHP insurance policies are governed by State law or ERISA

The Federal ERISA law requires GHP's to comply with MSP laws

Federal law takes precedence over State law or any conflicting policy provision

The Medicare Secondary Payer Act

Under 42 U.S.C. § 1395y(b)(1)(C), persons with End-Stage Renal Disease (ESRD) who are under the age of 65 can qualify for Medicare based on a diagnosis of ESRD.

- (i) GHP may not take into account that an individual is entitled to or eligible for benefits under this subchapter under section
- (ii) (ii) may not differentiate in the benefits it provides between individuals having end stage renal disease and other individuals covered by such plan on the basis of the existence of end stage renal disease, the need for renal dialysis, or in any other manner

U.S.C. § 1395y(b)(3), the statute further provides:

(3)(C) – It is unlawful for an employer other entity to offer any financial or other incentive for an individual entitled to benefits under this title not to enroll (or to terminate enrollment) under a group health plan or a large group health plan which would (in the case of such enrollment) be a primary plan. Any entity that violates the previous sentence is subject to a civil money penalty of not to exceed \$5,000 for each

For more information: <https://www.medicare.gov/Pubs/pdf/10128-Medicare-Coverage-ESRD>

The “As If Medicare” Language

The MSP Rule:

Medicare benefits are secondary to employer policies or plans for individuals with ESRD even though the employer policy or plan contains a provision stating that its benefits are secondary to Medicare’s or otherwise excludes or limits its payments to Medicare beneficiaries.

The Ruling:

Claimants have the right to take legal action against and to collect double damages from an Employer Group Health Plan (EGHP) which is primary to Medicare and which fails to pay primary benefits.

See e.g. DSI Laredo Dialysis v. Community Health Systems (US D. Tx 2016) and Bio-Medical Applications of Tennessee v. Central States (US D. Tn 2009).

Suggested disclaimer:

Provided that this provision shall not apply to coverage for a Member who is eligible for coverage by Medicare due to End Stage Renal Disease (ESRD) or the need for dialysis.

For more information: (<https://secure.ssa.gov/poms.nsf/lnx/0600620177>)_{12/6/2017}

Don't Surrender to the Dialysis Providers



Property of Renalogic. Do not redistribute without the consent of Renalogic.

Dialysis Cost Containment Options

Payment-Based U&R

- Methodology Supported by specific carve language developed by Renalogic
- Based on Average Revenue Per Treatment as actually reported by the largest providers
- Appropriate for in-network and out-of-network claims, or alongside your **ASO**, after appropriate legal review
- Complimentary legal review of all documents
- Complimentary data analytics to identify all members at risk for kidney failure



82-85%
Average savings
with fee

Sample Re-Priced Claim

Explanation of Payment SAMPLE Re-pricing

Patient: Patient A

Facility: DSI

Payor: Group A

Date Of Service: 01/01/16 to 01/31/16

Total Billed Charge: \$103,551.00

Recommended Payment: \$9,125.90

Renalogic Fee (Capped): \$9,125.90

Total Savings with Fee: **\$85,299.20**

Average 82% off of billed charges with our fee

**Fees are capped at no more than the recommended payment to the provider*

Education on Home Modalities, Early Transplant & Medicare Part B

Medicare Part B

- Protects patient from balance billing
- Ensures Medicare becomes primary after 30/33 months

Home dialysis advantages

- Home dialysis is closer to natural kidney function
- Allows for more normal lifestyle
 - Normal diet
 - Patients can dialyze at night
- Can minimize absenteeism
- Most ESRD patients are eligible but not educated on advantages

Clinics with Best Medical Outcomes

- Non-Profit & Independent Clinics prove to have better medical outcomes

Early Transplant

- Increases success rate if patient can transplant prior to dialysis
- Familiar donor option
- Typically results in cost savings to the plan

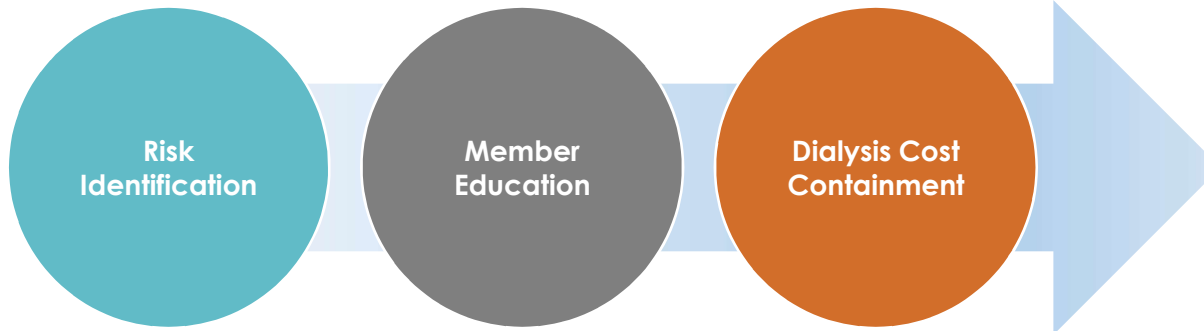


Renalogic:

Comprehensive & Customized Programs to Meet All Needs

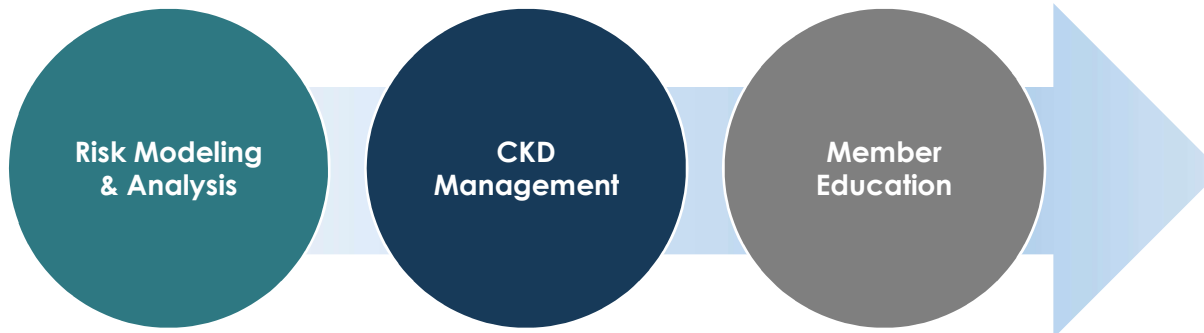
Option A

Dialysis Cost
Containment
Only



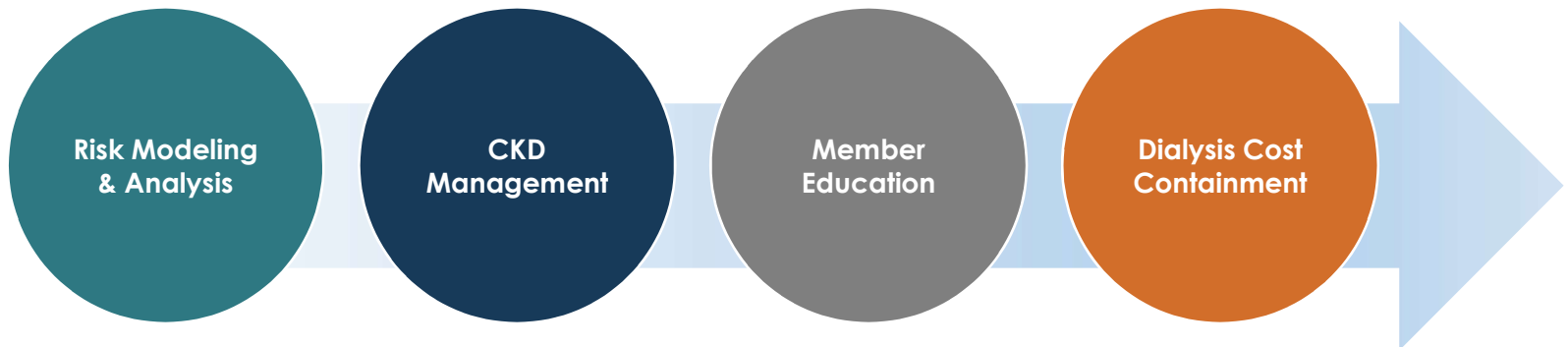
Option B

CKD Management
Only



Option C

End-to-End
Renal Solution





Innovation through collaboration.

We work with each client & member for success.



Questions?

Thanks for your time.



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