

## Chronic kidney disease outcomes can be improved by expanding specialist care

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Providing specialized medical care and coordination to patients whose kidneys are failing before they need dialysis treatment could save the U.S. health care system more than \$1 billion annually, according to a new RAND Corporation analysis.

About 60 percent of the savings come from avoiding the initiation of kidney dialysis in a hospital setting, while the remainder stems from other improvements in care. The findings are published the in the *Journal of American Society of Nephrology*.

The analysis by researchers shows savings only when the specialized care is extended to people in the latest stages of kidney <u>disease</u> and not when patients are at earlier stages of their illness.

"Extending specialized care to patients with advanced kidney disease before their kidneys fail would have benefits both for patients and for the organizations that pay for their health services," said Harry Liu, the study's lead author and a senior policy researcher at RAND, a nonprofit research organization. "But new payment models may be needed to encourage this change."

Nearly one in seven Americans has <u>chronic kidney disease</u>, a progressive condition that is associated with other ailments such as cardiovascular disease. About 90 percent of people with chronic kidney disease will end up needing hemodialysis, which costs Medicare an average of \$80,000 annually per patient. In 2015, Medicare spent 20 percent of its budget



providing care to patients with chronic kidney disease.

Liu and co-author Sophia Zhao of Massachusetts General Hospital examined several potential strategies to lower the cost of care for chronic kidney disease and improve outcomes for patients.

Previous studies have shown that patients who are seen by nephrologists one to six months before beginning dialysis do better medically, have shorter hospital stays associated with dialysis and have lower mortality rates over the following five years. (Nephrologists are medical specialists who focus on disorders that affect the way the kidneys work.)

However, patients with chronic kidney disease frequently are not referred to a nephrologist. Researchers say one reason may be that non-Medicare payers who cover younger patients may not be motivated to slow progression of kidney disease—at least in part—because Medicare ultimately pays the cost for kidney dialysis.

To quantify the potential savings from improving care for chronic kidney disease care, researchers created a simulation model to help estimate possible savings from improving care. They focused on patients with Stage 3 and Stage 4 kidney disease, examining whether there would be savings from increasing use of nephrologists to slow disease progression and improve coordination of care for patients who undergo kidney replacement surgery.

The analysis showed that increasing nephrology care for Stage 3 patients would not generate net savings. However, increasing nephrology care and improving care coordination among Stage 4 patients would create an estimated \$1.36 billion in annual savings, including \$730 million in savings for Medicare.

Researchers say that several newer models of paying for health care



could be used to help spur the earlier use of nephrology care for patients with advanced kidney disease.

This could include expanding Medicare's chronic condition special needs plans to cover advanced chronic kidney disease <u>patients</u>. Because these plans are paid on a per-patient basis, they would create financial incentives for providers to improve outcomes and reduce costs, researchers say.

Another option is to establish episode-based payments models for chronic <u>kidney</u> disease. These models also pay providers on a per disease episode basis rather than paying for each task or procedure.

Provided by RAND Corporation

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