Medical Xpress

Physician payment reform has led to decrease in home-based dialysis

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Patients receive dialysis treatment at a medical facility. Credit: shutterstock.com/Rice University

The Medicare program's transition in 2004 to tiered fee-for-service physician reimbursement for dialysis care had the unintended consequence of reducing use of home dialysis, according to a paper co-authored by a nonresident scholar at Rice University's Baker Institute for Public Policy and colleagues from Stanford University and Baylor College of Medicine.

More than 100,000 people develop end-stage renal disease every year in the United States. Due to a shortage of kidneys available for

transplantation, the vast majority receive dialysis, which can be provided through one of three methods. In-center hemodialysis is the most common and involves patients going to a dialysis facility three or four times per week to receive therapy; home-based dialysis therapies (which include peritoneal dialysis and home hemodialysis) are alternatives that offer more flexibility and lifestyle benefits for some patients.

The authors of "Effects of Physician Payment Reform on Provision of Home Dialysis" conducted analyses comparing patients with traditional Medicare coverage who were affected by the policy with others who have Medicare Advantage and were unaffected by the policy. The analyses consisted of a cohort study of patients starting dialysis in the U.S. in the three years before and the three years after payment reform. The study also examined whether the policy had a more pronounced influence on dialysis method assignment in areas most affected by the policy due to lower costs of traveling to dialysis facilities.

Patients with traditional Medicare coverage experienced a 0.7 percent reduction in the absolute probability of home dialysis use following payment reform compared with patients with Medicare Advantage. Patients living in areas with larger dialysis facilities (where payment reform made in-center hemodialysis comparatively more lucrative for physicians) experienced a 0.9 percent reduction in home dialysis use following payment reform compared with patients living in areas with smaller facilities (where payment reform made in-center hemodialysis comparatively less lucrative for physicians).

The paper was co-authored by Dr. Kevin Erickson, nonresident scholar in the Baker Institute's Center for Health and Biosciences, assistant professor in the Section of Nephrology and an investigator at the Center for Innovations in Quality, Effectiveness and Safety at Baylor; Dr. Wolfgang Winkelmayer, the Gordon A. Cain Chair of Nephrology and professor of medicine at Baylor; Dr. Glenn Chertow, professor of

medicine and chief of the Division of Nephrology at Stanford's School of Medicine; and Dr. Jay Bhattacharya, professor of medicine at Stanford. It was published in the *American Journal of Managed Care*.

"We found that national physician payment reform enacted by Centers for Medicare and Medicaid Services in 2004 in an effort to encourage more frequent face-to-face dialysis visits and improve the quality of care resulted in an unintended consequence of relatively fewer patients choosing home dialysis," the authors wrote. "The tiered fee-for-service payment system enacted in 2004 continues to govern physician reimbursement for in-center hemodialysis care and, consequently, may continue to discourage home dialysis use in certain patient populations. These findings highlight both an area of policy failure and the importance of considering unintended consequences of future efforts to reform physician payment."

Due to concern that home dialysis is underused and that some patients with end-stage renal disease could benefit from increased autonomy and health-related quality of life if they received home dialysis, the House of Representatives Committee on Ways and Means' Subcommittee on Health asked the U.S. Government Accountability Office to investigate key barriers to home dialysis use. The GAO's October 2015 report highlighted the current physician payment policy's incentives as a potential barrier to home dialysis use. However, the GAO investigation of this topic was limited to interviews with physicians and physician associations. The study co-authored by Erickson provides empirical evidence supporting the concern raised by the GAO.

More information: Paper: www.ajmc.com/journals/issue/20 … ion-of-home-dialysis.

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Provided by Rice University

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