

INSIDE DISEASE MANAGEMENT

Insurers Expand ESRD DM Programs Beyond Dialysis to Slow Progression of Disease

Many health insurers have programs in place to manage care for patients with end-stage renal disease (ESRD). Now, some managed care plans are expanding kidney disease management services to patients in earlier stages of the illness, before they must go on dialysis, with the goal of prolonging kidney function, improving care and reducing costs.

Although there are relatively few patients with ESRD, payers' treatment costs are quite high — as is the potential for savings. About 4.5% of adults, or 7.4 million people, are believed to have chronic kidney disease, according to the National Institute of Diabetes and Digestive and Kidney Diseases.

While Medicare covers dialysis — even for patients who are under 65 years of age and are not disabled — private insurers typically still carry the bulk of the cost burden for the first three years of treatment. Medicare payment rules call for the patient's employer-sponsored health plan to cover dialysis treatment for the first three months of treatment. In the fourth month of treatment, a 30-month "coordination period" starts, under which the private insurer is the primary payer and Medicare is the secondary payer. At the end of the 30-month period, Medicare becomes the primary payer.

Great-West Healthcare estimates that treatment costs for a commercial patient can range from \$175,000 to \$300,000, "depending on severity of the case and the frequency [of dialysis]," says Mike Norris, M.D., assistant vice president of medical outreach.

ESRD DM programs are more expensive than is a typical DM program with primarily telephonic interactions. That's primarily because ESRD programs include a lot more face-to-face interactions, experts say. DM nurses typically go to dialysis clinics to meet with patients to encourage compliance with dialysis treatment regimens and discuss comorbid health issues. The nurses also meet with providers to review treatment plans.

Traditional ESRD DM programs are targeted to patients in stage five of the disease, says David Brumley, M.D., the medical director for health management at Blue Cross Blue Shield of Massachusetts. That insurer in October 2004 launched a DM program for chronic kidney disease patients in stages three, four and five.

The five stages indicate how effectively patients' kidneys filter waste from the blood. That measure, the glomerular filtration rate (GFR), is estimated from a rou-

tine lab test for creatinine (a waste product formed from the breakdown of muscle cells). A normal GFR has a value of 90 or higher. Patients in stage three have a level of 30 to 59. In stage four, with a level from 15 to 29, patients should start preparing for kidney replacement therapy — either dialysis or a kidney transplant. Patients in stage five have a level below 15 and typically are on dialysis.

The Massachusetts Blues plan partnered with American Healthways, Inc. to provide the renal DM program, Brumley says. The program's goal is to slow down the progression of the disease, he explains, so that patients don't get to the point of needing kidney replacement therapy as quickly. That includes controlling hypertension and diabetes, he adds, since those conditions can cause ESRD.

Of the 392,000 U.S. residents who had ESRD in 2001, about one-third of their cases resulted from diabetes, and another 23% stemmed from hypertension, according to the National Institute of Diabetes and Digestive and Kidney Diseases.

Opportunity Seen in Stage Four

"For people in stage four, when they're getting near dialysis, the opportunity there is to really prepare them for renal replacement therapies...clinically, psychologically and every other way," Brumley says. That includes preparing vascular access for dialysis. In most cases, the recommended therapy is an arterial venous fistula rather than a graft or catheter, according to CMS, which is working with ESRD networks, the renal community and the Institute for Healthcare Improvement to increase the use of fistulas.

Brumley explains that for patients in stage four, pneumonia or another illness can "tip them over the edge" into emergency dialysis. If a patient hasn't gotten a fistula — which takes several months to heal before it can be used to receive dialysis — he or she likely would receive a graft or catheter, both of which have a higher likelihood of infection or clogging.

The Massachusetts Blues plan has about 600 to 800 ESRD patients in its population of 2 million enrollees with commercial insurance or Blue Care 65, the insurer's Medicare Advantage plan, Brumley estimates. There are 5,000 to 6,000 enrollees with chronic kidney disease, he adds.

RMS Disease Management Services also has an increasing number of clients that purchase renal DM ser-

vices for stages three through five. For example, Humana Inc. has had an ESRD DM program in place for several years, says spokesperson Mary Sellers. The insurer expanded the program to include pre-dialysis patients in stages three and four in September 2005.

Sellers explains that expanding the program allows the insurer to reach patients earlier. "The other advantage to that is that we can help them to better manage other comorbid conditions such as heart disease or diabetes that sometimes go hand in hand with it," she says. Humana has about 200 commercial members in the program. The insurer also is operating a pilot in its Kansas City Medicare Advantage plan. About 780 members are enrolled in that pilot.

RMS, a subsidiary of dialysis services provider DaVita, Inc., charges insurers a per-member per-month fee for patients who are enrolled in the program, says Gary Cellini, director of strategic planning, government program development and administration for DaVita. He declines to give a price range, but says it's a multiple higher than for programs that are based solely on tele-

phonic interaction, since RMS is in the field meeting with dialysis patients face to face.

Frank Basile, M.D., general manager of RMS, says the firm is working to move renal DM up on insurers' priority list. "The biggest challenge we face is getting them to notice that this is important, and that they could save a significant amount of money and really impact people's lives by doing this," he says.

In all, RMS has about 2,600 renal disease patients — all in commercial and Medicare managed care plans — under management, Basile says. About two-thirds of patients are diabetics, and half have heart failure, he adds. "Most patients are carved out, meaning that no other DM vendors deal with them because they're quite unique."

Great-West Healthcare, which launched its ESRD program in July 2005, says it plans to expand the DM program to include patients in stages three and four in the next year. "The program is set up primarily with the overall goal of reducing the extremely high cost associated with ESRD," Norris says. Great-West specializes in

Medicare Expands Care for ESRD Patients Through Demonstrations, Special Needs Plans

CMS is expanding the number of Medicare demonstrations and other programs aimed at improving care for patients with end-stage renal disease (ESRD). For disease management firms participating in Medicare demonstrations, however, such programs present a whole new set of challenges.

Government and private programs present different challenges, says Frank Basile, M.D., general manager of RMS Disease Management Services. On the commercial side, "if you have patients with renal disease, we can deliver you improved outcomes and cost savings...nine times out of 10." The problem, he says, is that private insurers typically don't have a lot of patients with renal disease. "The government, on the other hand, has thousands and thousands of patients...It's just more difficult to find ways to really make this work effectively."

RMS is operating a Medicare Special Needs Plan (SNP) with Long Beach, Calif.-based SCAN Health Plan (*IDM 10/7/05, p. 3*). The SNP, dubbed VillageHealth, is part of a four-year demonstration project intended to improve care for dialysis patients. DaVita is providing dialysis services, RMS is supplying the DM program, and SCAN is serving as the health plan and program administrator.

"The goal is to enroll about 1,000 Medicare Advantage patients in the SNP demonstration," says Gary Cellini, director of strategic planning, government program development and administration for DaVita, RMS's parent company. He explains that a portion of reimbursement from CMS is based on the companies' performance on measures such as dialysis efficacy and fistula placement.

CMS also awarded SNP ESRD demonstrations to Sterling Life Insurance Co. / American Progressive Life and Health Insurance, which is partnering with Fresenius Medical Care North America, and UnitedHealth Group subsidiary Evercare of Georgia, which is working with DaVita.

In addition to the SNP demonstration in southern California, RMS also is involved in the Care Management for High Cost Beneficiaries Demonstration Project in Queens, Nassau and Suffolk counties in New York. In the three-year program, Cellini explains, RMS is working with CMS to identify patients who are not yet on dialysis, but were referred because of chronic kidney disease. The model is similar to the Medicare Health Support program, with RMS's patient population compared against a control group.

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self-funded employers, and provides stop-loss insurance to the majority of its clients, he adds. By lowering high-ticket claims, the ESRD program can save money for both the insurer and its clients.

Of Great-West's 2 million members, there are "around 300 to 350 at any given time that are in stage five," he says. The insurer offers the ESRD program in partnership with Renaissance Health Care, a subsidiary of Fresenius Medical Care North America. Great-West treats the program like a provider service, with the per-participant per-month fee "billed through as a claim," Norris says. He declines to disclose the fee level. Employers can choose not to purchase the services, Norris adds, but he estimates that employers get a five- or six-to-one return on investment for the program — "so it's one of those proverbial no-brainers."

Independence Blue Cross (IBC) added an ESRD DM program to its portfolio of Connections DM programs in June 2004, says Esther Nash, M.D., the insurer's senior medical director for health management programs. But the insurer is limiting the program, offered in partnership with RMS, to only stage-five patients.

The ESRD program had an average of between 500 and 550 members on dialysis during the quarter that ended on Sept. 30, 2005, Nash says, out of a total eligible population of 2 million members. IBC decided to limit the program to ESRD "because we felt that the opportunity to improve quality and produce medical cost savings was better demonstrated in ESRD," she says. In addition, she contends, it's more difficult to identify members with chronic kidney disease than to find those patients who already are on dialysis.

Nash says IBC has not yet finished evaluating cost savings stemming from the first year of the program. She asserts that the "clinical outcomes are very encouraging," however. For example, IBC found that for the most recent quarter, between 95% and 98% of patients achieved the recommended level of dialysis, vs. a national average of 87% to 91%. She declines to provide any financial details of the RMS pact.

Call IBC spokesperson Liz Williams at (215) 241-2220, Great-West spokesperson Tracey Budz at (303) 737-1476 or Cellini at (800) 313-4872, ext. 2842. ✧