DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-5033-N]

Medicare Program; Establishment of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for End Stage Renal Disease Services and Request for Nominations for Members

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces the establishment of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for End Stage Renal Disease (ESRD) Services and discusses the group's purpose and charter. It also solicits nominations for members.

DATES: Nominations for membership will be considered if they are received by July 2, 2004.

ADDRESSES: Send nominations and written requests for copies of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services Charter to--

Centers for Medicare & Medicaid Services,

7500 Security Boulevard, Baltimore, Maryland

21244-1850.

Medicare Demonstrations Program Group,

Mail stop C4-17-27,

Attention: Pamela Kelly

FOR FURTHER INFORMATION CONTACT:

ESRDAdvisoryBoard@cms.hhs.gov or Pamela Kelly, (410) 786-2461.

Press inquiries are handled through the CMS Press Office at (202) 690-6145.

SUPPLEMENTARY INFORMATION:

I. Background

Section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub.L. 108-173) requires us to establish a demonstration project of the use of a fully case-mix adjusted payment system for end stage renal disease (ESRD) services under section 1881 of the Social Security Act (42 U.S.C. 1395rr) for patient characteristics. Section 623(f) of the MMA requires the patient characteristics to be identified in a Report to Congress on a bundled prospective payment system for ESRD Services by October 1, 2005. The payment rates will bundle

amounts for drugs and biologicals, including erythropoietin, which are separately billed by ESRD facilities, from the date of enactment of MMA, December 8, 2003, and clinical laboratory tests related to these drugs and biologicals.

Section 623(e) of MMA also requires us to establish an Advisory Board to provide advice and recommendations with respect to the establishment and operation of this demonstration project.

II. Charter, General Responsibilities, and Composition of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services

A. Charter Information and General Responsibilities

On May 11, 2004, the Secretary signed the charter establishing the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services. The MMA provides that the Advisory Board will terminate on December 31, 2008. The Advisory Board, as chartered under the legal authority of section 623(e) of the MMA, is also governed by the provisions of the Federal Advisory Committee Act (FACA), 5 U.S.C. Appendix 2, section 10(a)(Pub.L. 92-463).

You may obtain a copy of the Secretary's charter for the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services from http://www.cms.hhs.gov/faca/stcomm.asp on the day this notice is published or by mailing a written request to the address specified in the **ADDRESSES** section of this notice.

As specified in the charter, before implementation of the demonstration, the Advisory Board will study and make recommendations on the following issues:

- The drugs, biologicals, and clinical laboratory tests to be bundled into the demonstration payment rates.
- The method and approach to be used for the patient characteristics to be included in the fully case-mix adjusted demonstration payment system.
- The manner in which payment for bundled services provided by non-demonstration providers should be handled for beneficiaries participating in the demonstration.
- The feasibility of providing financial incentives and penalties to plans operating under the demonstration that meet or fail to meet applicable quality standards.
- The specific quality standards to be used.

- The feasibility of using disease management techniques to improve quality and patient satisfaction and reduce costs of care for the beneficiaries participating in the demonstration.
- The selection criteria for demonstration organizations.

Upon implementation of the demonstration, the Advisory Board will continue to advise the Secretary and the Administrator on the operation of the demonstration.

B. Composition of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services

Section 623(e) of MMA specifies the composition of the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services. It states that the Advisory Board will be composed of representatives of the following:

- Patient organizations.
- Individuals with expertise in ESRD dialysis services, such as clinicians, economists, and researchers.
- The Medicare Payment Advisory Commission, established under section 1805 of the Social Security Act (42 U.S.C.

1395b-6).

- The National Institutes of Health.
- Network Organizations under section 1881(c) of the Social Security Act (42 USC 1395rr(c)).
- Medicare contractors to monitor quality of care.
- Providers of services and renal dialysis facilities furnishing ESRD services.

The charter specifies there will be 11 members on the Advisory Board.

III. Submission of Nominations

We are requesting nominations for membership on the Advisory Board on the Demonstration of a Bundled Case-Mix Adjusted Payment System for ESRD Services. We will consider qualified individuals who are self-nominated or are nominated by organizations representing patients and providers when we select these representatives. The Secretary will appoint members to serve on the Advisory Board from among those candidates that we determine have the technical expertise to meet specific agency needs in a manner to ensure an appropriate balance of membership.

Any interested person may nominate one or more

qualified individuals for each of the categories listed in section II.B. of this notice. Each nomination must include the following information:

1. A letter of nomination that contains contact information for both the nominator and nominee (if not the same).

2. A statement from the nominee that he or she is willing to serve on the Advisory Board for its duration (that is, through December 31, 2008) and an explanation of the nominee's interest in serving on the Advisory Board. The nominee should also indicate whether he or she would be willing to serve as the chair of the Advisory Board. (For self-nominations, this information may be included in the nomination letter.)

3. A curriculum vitae that indicates the nominee's educational and ESRD-related experiences.

4. Two letters of reference that support the nominee's qualifications for participation on the Advisory Board. (For nominations other than self-nominations, a nomination

letter that includes information supporting the nominee's qualifications may be counted as one of the letters of reference.)

To ensure that a nomination is considered, we must receive all of the nomination information specified in section III of this notice by July 2, 2004. Nominations should be mailed to the address specified in the **ADDRESSES** section of this notice.

Authority: Section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). (Catalog of Federal Domestic Assistance Program No. No. 93.774, Medicare--Supplementary Medical Insurance Program)

Dated: _____

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Mark B. McClellan
Administrator,
Centers for Medicare & Medicaid Services.

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