

June 26, 2023

+1.6% Dialysis Proposed Pay Update 2024

Solid Payment Proposal

Relevant Companies



CMS released the proposed 2024 end-stage renal disease (ESRD) Prospective Payment System (PPS) rates after the close of the US markets today [here](#).

»» Our Take & Next Up

CMS dialysis pay for 2024 looks good for large dialysis organizations (LDOs – DVA, FMS) and biopharma manufacturers (AMGN, CSL Vifor, others). CMS wants to pay pediatric dialysis sessions more generously (<2% patients are under 18 years old), while making sure not to leave rural/low volume facilities out in the cold. The agency also wants biologics and drugs to be reimbursed after the two-year TDAPA period at 65% of estimated expenditure levels. More negatively, the agency wants to measure hemodialysis “time on machine” for possible refinements in future PPS pay regulations (starts 2025), as well as discarded/unused biologics used during dialysis sessions. The agency will accept comments and final CY24 rates will be out around Nov 1. New pay starts Jan. 2024.

»» Key Points

The overall ESRD payment update is +1.6%, a \$130 M increase, positive for LDOs — DVA, FMS. This includes updates to the outlier policy (-0.1%) and to the wage index (0.0%). For hospital-based facilities, CMS projects an increase in total payments of +2.6%. For freestanding facilities, CMS projects an increase in total payments of +1.6% ...

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