

# Dialysis & Nephrology

A biweekly report by Benesch on the  
Dialysis & Nephrology Industry

# DIGEST

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Minn. health system inks five-year VBA with care provider HealthPartners

May 5, 2021

## Dialysis & Nephrology DIGEST



Please contact us if you would like to post information regarding your upcoming events or if you'd like to guest author an article for this newsletter.

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### Calendar of Events

MAY 18–19, 2021

**Renal Healthcare Association Day on the Hill 2021**

For information, please click [here](#).

MAY 20, 2021

**ETC Model and Shift to Home Dialysis: Perspectives from Industry Roundtables**

For information, please click [here](#).

SEPTEMBER 24–25, 2021

**OEIS 8TH ANNUAL NATIONAL SCIENTIFIC MEETING**

JASON GREIS will be speaking.

For more information, please click [here](#).


SEPTEMBER 29, 2021

**National Kidney Foundation of Illinois (NKFI) Golf Classic**

For information, please click [here](#).

SAVE THE DATE

## Benesch Healthcare+ First Annual Dialysis and Nephrology Conference



**Thursday, December 2, 2021**  
**8 a.m. to 4:30 p.m.**  
Cocktail reception to follow  
**The Gwen Hotel**  
521 North Rush Street | Chicago, IL 60611

Please join us for this full-day conference addressing business and legal issues facing nephrology and dialysis providers. Hear from industry leaders discussing current and future trends in care delivery, business and payment models and legal and regulatory issues.

Please contact MEGAN THOMAS ([mthomas@beneschlaw.com](mailto:mthomas@beneschlaw.com)) for more information about this event or if you require assistance.

Invitation to follow.

**Benesch Healthcare+**

[www.beneschlaw.com](http://www.beneschlaw.com)

May 5, 2021

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## Nephrology and Dialysis Practices

APRIL 12, 2021

### [Former CMS administrator Seema Verma joins Monogram Health's board](#)

[Seema Verma](#) was the CEO of health policy firm SVC when she was tapped by the Trump Administration to act as administrator of CMS, a position she held from March 2017 to January of this year. She joins [Monogram Health's](#) board of directors as the Nashville-based kidney care company looks to expand its national footprint. Monogram's board chair, former U.S. Senator Bill Frist, says Verma's "work at CMS to improve kidney disease patients' access to high-quality, coordinated care aligns directly" with the company's purpose. While at CMS, Verma initiated the [Kidney Care Choices](#) (KCC) payment model for Medicare beneficiaries with Stage 4-5 chronic kidney disease (CKD) and ESRD. That five-year program, introduced in 2020, is under review by the Biden Administration and has a tentative starting date of January 1, 2022.

Related: [Monogram Health opens operations hub in Arizona](#) — Monogram Health

**SOURCE:** Monogram Health

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APRIL 6, 2021

### [IRC to acquire San Antonio-based dialysis company KTC](#)

Nashville-based [Innovative Renal Care](#) (IRC) acquired three dialysis clinics operated by [Kidney Treatment Center San Antonio](#) (KTC). Terms weren't disclosed. All three facilities in the Texas city will remain in operation and carry the IRC moniker. Their association with IRC means the San Antonio treatment centers will offer expanded home therapy programs.

**SOURCE:** Innovative Renal Care

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APRIL 15, 2021

### [Colorado judge okays \\$135M settlement in patient-steering suit brought against DaVita by its investors](#)

A U.S. District judge signed off on a \$135-million settlement between DaVita and shareholders who brought a class-action lawsuit against the dialysis services provider. At the center of the dispute was a claim the company was steering patients toward enrollment in private insurance plans. The investors stated the company's action violated CMS regulations and federal anti-kickback laws. The judge will hold a separate hearing on class counsel's request for 30% of the settlement fund.

**SOURCE:** Law360 (sub. req.)

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**May 5, 2021**

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## **Nephrology and Dialysis Practices (cont'd)**

APRIL 13, 2021

### **Federal court grants partial victory to DaVita in disaster pay policy class-action**

A DaVita employee claimed the company's disaster pay policy should have meant receiving a salary premium once the COVID-19 pandemic began. However, a U.S. District judge in Washington state said although the policy was in the employee handbook, the company included disclaimers such that it didn't constitute a contract. Therefore he ruled the proposed class-action brought forward by the employee failed as a matter of law. However, the judge left an avenue open for the case to proceed, saying enough evidence was provided that DaVita's actions could be deemed inequitable.

**SOURCE: Law360 (sub. req.)**

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APRIL 7, 2021

### **DaVita investing \$1.3M to refurbish dialysis clinic in Buffalo suburb; U.S. Renal Care plans sixth location in western N.Y.**

DaVita has proposed renovating its dialysis center in Orchard Park, N.Y. Meanwhile, U.S. Renal Care will spend \$1.9 million to construct a 13-station dialysis center in Blasdell, N.Y., to complement five other facilities it operates in Greater Buffalo.

**SOURCE: The Business Journals (sub. req.)**

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APRIL 10, 2021

### **Fresenius reducing operations in Austin, eliminating 121 positions**

Fresenius intends to lay off 121 employees in Austin at the end of May. No specific reason was divulged for the cuts, nor was it immediately clear if they're tied to the company's plan to streamline operations in the face of an expected drop in revenue this year due to the COVID pandemic.

**SOURCE: KVUE News**

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**May 5, 2021**

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## **Nephrology and Dialysis Practices (cont'd)**

APRIL 12, 2021

### **Fresenius, Aetna to continue VBA for patients with ESRD eligible for Medicare Advantage**

Patients with ESRD are eligible to enroll in Medicare Advantage (MA) plans this year. The value-based agreement between Fresenius and healthcare provider Aetna aligns reimbursement with quality benchmarks and cost reductions for MA members. The arrangement allows MA members at Aetna with ESRD to access Fresenius' kidney care centers or receive dialysis services at home. A senior manager at Aetna states the data-enabled partnership ensures smooth care coordination, adding it was important to include a home-care option to preserve ongoing care access for at-risk patients.

**SOURCE: Fierce Healthcare**

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APRIL 12, 2021

### **BCBS of Minnesota, DaVita partner on value-based kidney care program**

Blue Cross and Blue Shield of Minnesota and DaVita's VillageHealth signed a value-based agreement for members with CKD or ESRD. A key aspect of the collaboration is preventing hospitalizations in members with end-stage kidney disease. The partners contend that similar models lowered hospital admissions for patients with kidney disease by about 30%. The program works with nephrologists and primary care physicians to improve care coordination and will also focus on prevention and using predictive analytics to evaluate which members may be most at risk for kidney illnesses.

**SOURCE: DaVita**

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# **Dialysis & Nephrology DIGEST**

May 5, 2021

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## Nephrology and Dialysis Practices (cont'd)

APRIL 27, 2021

### **DaVita's 2025 ESG goals include cutting carbon emissions in half**

DaVita issued set out its [ESG agenda](#) through 2025, focusing on topics such as patient care, teammate engagement, environmental stewardship, healthy communities and integrity and accountability. Some of the highlights include:

- Ensuring up to 25% of patients choose home dialysis;
- Meeting or exceeding EEO-1 benchmarks relating to workplace diversity;
- Pledging to reduce carbon emissions by 50%, including powering all facilities by renewable energy;
- Promoting volunteerism by staff; and
- Mandating new and existing team members and directors undergo annual compliance training and review the company's code of conduct.

**SOURCE: DaVita**

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APRIL 13, 2021

### **Kidney care company Strive Health to use patient ID solution powered by NextGate**

Denver-based [Strive Health](#) agreed to use NextGate's [EMPI](#) system to better track its 15,000 kidney patients spread across six states. Strive states the cloud-based patient identification technology will also support population health analytics and quality reporting under value-based care arrangements. The kidney care provider contends the solution will identify gaps in care, avoid acute events, while ensuring correct courses of treatment are implemented.

**SOURCE: Strive Health**

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# Dialysis & Nephrology DIGEST



**May 5, 2021**

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## **Nephrology and Dialysis Practices (cont'd)**

APRIL 22, 2021

### **RenalytixAI granted 10-year federal government contract to provide early-stage kidney disease prognostic testing services**

The agreement with the General Services Administration covers over 140 U.S. government departments, including the U.S. Veterans Administration, the Department of Defence and Indian Health Services. RenalytixAI will provide its [KidneyIntelX](#) bioprognostic testing system, designed to detect early-stage kidney disease. The initial term of the contract is five years, with a possible five-year extension. Pricing is set at \$950 per reportable result and the contract is structured to allow an unlimited quantity of services.

**SOURCE:** RenalytixAI

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APRIL 20, 2021

### **New York startup pulseData raises \$16.5M to fund diagnostic platform to identify early-stage CKD**

[pulseData](#) is developing a predictive algorithm to identify individuals with early-stage chronic kidney disease (CKD). They claim the platform, which aggregates patient medical data, uses machine learning to also predict patients most likely to experience kidney failure. The startup counts MA plans, private health plans and ACOs among its customers. The Series A funding round was led by Bain Capital Private Equity and Two Bear Capital.

Related: [Healthcare startup pulseData raises \\$16.5M to help lower costs to treat kidney disease](#)—Forbes

**SOURCE:** pulseData

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**May 5, 2021**

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## **Nephrology and Dialysis Practices (cont'd)**

APRIL 7, 2021

### **Podcast discusses how dialysis care is symbolic of issues in U.S. healthcare system**

In the podcast, *Is Dialysis a Test Case of Medicare for All?*, commentators discussed how payment for dialysis services can be viewed as a testing ground for what a single payor system may one day look like and explores the mix of benefits and unintended consequences such a system may create.

**SOURCE: Freakonomics**

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APRIL 28, 2021

### **Illinois Senate passes measure providing tax relief to employers whose workers are on organ donation leave**

Illinois Senate bill 1918 ([SB1918](#)) would provide private employers with a credit against withholding taxes equal to the amount of an employee's wages if that worker is on leave for organ donation. The measure would require:

- The employer grants all employees the option of taking a 30-day paid leave of absence to become an organ or bone marrow donor; and
- That any leave of absence be accompanied by no loss in pay, vacation time, compensatory time, personal days or sick time for at least the first 30 days.

The bill would set a cap on the credit of no more than \$1,000 per employee on organ donation leave. After passing the Senate, the bill is now before the House in the State Assembly, where it was referred to the rules committee.

**SOURCE: Legiscan**

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May 5, 2021

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## Nephrology and Dialysis Practices (cont'd)

APRIL 14, 2021

### **ASN, AAKP want Congress to increase funding for kidney disease research**

ASN and patient-advocacy group [AAKP](#) are calling on federal legislators to increase funding for the [Kidney X](#) program, designed to promote innovations in kidney care. The project received \$10 million in Congressional support over the past two years to support prize competitions for innovations such as clothing to improve patients' comfort during dialysis and implantable filtration cartridges. KidneyX is running the Artificial Kidney Prize to spur advancements in wearable or artificial kidneys. The two groups say lawmakers should increase funding by \$25 million in the current fiscal year to ensure more innovations in kidney care, prevention and diagnosis are brought to light.

**SOURCE: ASN**

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MARCH 5, 2021

### **AAKP, transplant advocates, care professionals applaud Congressional move to remove barriers to live organ donations**

The [American Association of Kidney Patients](#) (AAKP), the [American Society of Transplant Surgeons](#) (ASTS) and the American Society of Transplantation (AST) joined together in supporting a [bill](#) to remove barriers to live organ donation. The bipartisan legislation, introduced in both chambers, would shield donors from high insurance premiums, while providing cover to living donors under the FMLA. The AAKP, ASTS and AST contend the bill must prevent insurance companies from raising premiums, or denying or limiting coverage to donors to ensure they receive comprehensive care after their procedures. The proposed legislation was also endorsed by the National Kidney Foundation and the American Society of Nephrology.

**SOURCE: AAKP**

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# Dialysis & Nephrology DIGEST

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## Nephrology and Dialysis Practices (cont'd)

APRIL 7, 2021

### **AAKP: Incorporating patient aspirations into kidney care programs will improve lives**

As part of a series in CJASN, the AAKP explains how researchers are quantifying the role of patient insights in kidney care. They contend that applying scientific rigor to the science of patient preference will legitimize the practice in the eyes of clinicians so that the aspirations of those being treated are more readily accepted and incorporated into care plans. The AAKP believes that future therapeutic options in kidney care will be shaped not necessarily by the preferences and biases of providers but by patient goals surrounding career, family, retirement and quality of life. It adds these insights will also drive innovation and diversification in treatment regimens, noting some standards of care are over 50 years old and negatively impact the ability of kidney disease patients to live full and active lives.

Related: [Integrating Patient Perspectives into Medical Device Regulatory Decision Making to Advance Innovation in Kidney Disease](#)—CJASN  
[Incorporating Patient Preferences via Bayesian Decision Analysis](#)—CJASN  
[Using Patient Preference Information to Inform Regulatory Decision Making](#)—CJASN

SOURCE: CJASN

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APRIL 12, 2021

### **Benesch Law partner says BCBS of Minnesota-DaVita partnership on value-based kidney care program part of 'burgeoning' trend**

Blue Cross and Blue Shield of Minnesota and DaVita's VillageHealth [signed](#) a value-based agreement for members with chronic kidney disease or end-stage kidney disease. A key aspect of the collaboration is preventing hospitalizations in members with end-stage kidney disease. The partners contend that similar models lowered hospital admissions for patients with kidney disease by about 30%. Jason Greis, a partner at Benesch Law, says these types of partnerships are becoming more popular as insurance companies see negative impacts from new end-stage renal disease beneficiaries and are seeking ways to mitigate costs. The program works with nephrologists and primary care physicians to improve care coordination and will also focus on prevention and using predictive analytics to evaluate which members may be most at risk for kidney illnesses. Medication management and diet support are also parts of the program.

Related: [Blue Cross and Blue Shield of Minnesota launches program with DaVita's VillageHealth to improve care for members with kidney disease](#)—DaVita

SOURCE: Modern Healthcare (sub. req.)

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May 5, 2021

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## VAC, ASC and Office-Based Labs

APRIL 5, 2021

### [National business group opposes DOJ decision to pursue criminal case against Surgical Care Affiliates over no-poach agreement](#)

In a proposed amicus before a Texas federal court asking that the case be dismissed, the U.S. Chamber of Commerce says it's improper for the DOJ to bring criminal charges against Surgical Care Associates (SCA) as it hasn't been established that no-poach agreements are illegal. The business group points out there are no court precedents or federal legislation regarding the deals. It adds that with no specific injunction in place, the "Constitution prohibits prosecuting a company for conduct not clearly defined as criminal." It's alleged that SCA, an affiliate of UnitedHealth Group, initiated agreements with certain competitors whereby they wouldn't recruit each others' senior managers. DOJ signaled in 2016 that no-poach agreements could be subject to criminal antitrust charges and the SCA case is the first high-profile indictment since then.

**SOURCE:** Law360 (sub. req.)

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APRIL 13, 2021

### [Report: Hospitals finding greater value in partnering with ASCs rather than acquiring them](#)

While more surgeries are migrating to outpatient settings, hospital systems are reluctant to acquire existing ASCs to bolster capacity, opting instead to partner with large ASC chains or build their own. Examples of the former include an agreement between Allina Health and Surgical Care Associates to develop 12 ASCs in Minneapolis by 2024 and St. Louis-based Ascension's deal with Regent Surgical Health to operate ASCs in Ascension's network. As for the latter, several hospital systems such as Kaiser Permanente, Ohio County Healthcare, Brooklyn Hospital Center, HCA Healthcare and UT Health San Antonio are adding ASCs to their operations. Most of the acquisitions of standalone ASCs has come from PE-backed groups and from other ASC firms, most notably Dallas' United Surgical Partner International's purchase of 45 centers from SurgCenter Development.

Related: [Will the pandemic spark more ASC sales? 4 observations](#)—Becker's ASC Review

**SOURCE:** Becker's ASC Review

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May 5, 2021

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## Other Interesting Industry News

APRIL 20, 2021

### **[CMMI director says despite issues with some models, she remains committed to value-based care](#)**

Liz Fowler, director of the Center for Medicare and Medicaid Innovation (CMMI), admits value-based care is at a crossroads after her agency pulled the Geographic Direct Contracting Model and delayed the start of the Kidney Care Choices model. While CMMI remains committed to the notion, she points out that the sector is plagued with complexity and overlap, making evaluations of value-based models problematic. The Medicare Payment Advisory Commission recommends fewer and more strategic models and Fowler outlined priorities for CMMI to develop and evaluate models. These include adopting health equity standards to reduce disparities in care delivery and to expand CMMI's mandate beyond Medicare to Medicaid and explore multi-payer alignments.

**SOURCE:** Fierce Healthcare

APRIL 12, 2021

### **[Minn. health system inks five-year VBA with care provider HealthPartners](#)**

[Allina Health](#) notes the deal is longer than past collaborations with Bloomington, Minn.-based [HealthPartners](#) to allow for an extended focus on population health strategies. The value-based agreement ties reimbursements from HealthPartners to Allina to patient outcomes such as hospital readmissions, care coordination through electronic document exchange and preventive care use. The two companies are part of an ACO called Northwest Metro Alliance, which they claim resulted in \$40 million in savings over the past decade.

**SOURCE:** Allina Health

**For more information regarding our nephrology and dialysis experience, or if you would like to contribute to the newsletter, please contact:**

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# Dialysis & Nephrology DIGEST

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