



## **ASSURING QUALITY CARE FOR THE PEDIATRIC KIDNEY DISEASE POPULATION**

***RECOMMENDATION: Congress should pass equitable and permanent Medicare physician payment reform that replaces the sustainable growth rate formula.***

Kidney disease continues to be a major cause of illness and death among the most vulnerable segment of the population—our children. Today, approximately 11,000 (1 percent) of Medicare ESRD beneficiaries are children. Since transplant organs are in short supply, most patients must undergo frequent dialysis treatment (3 or more times each week), a process that substitutes for healthy kidneys by mechanically filtering toxins and excess fluids from the blood stream. Once diagnosed with kidney disease, pediatric patients require careful monitoring and frequent evaluation by pediatric nephrologists, physicians who specialize in the treatment and care of pediatric kidney disease.

While Congress took action last year to provide a 0.5 percent payment update for Medicare physicians, replacing a scheduled 10.1 percent cut, this temporary fix expires on June 31, 2008. If Congress does not take immediate action, Medicare physicians will face a 10.6 percent cut on July 1. These cuts will critically impede access to medical services for our nation's pediatric ESRD patients. The expected cuts result from an inherently flawed formula that reduces physician payments if Medicare spending on their services exceeds a target amount. The target, called the sustainable growth rate (SGR), penalizes physicians and other practitioners for volume increases that they cannot control.

Since the ESRD program is a part of Medicare, nephrologists are particularly hard-hit by payment cuts because Medicare is the primary insurer for our patient population. More importantly, pediatric nephrologists are the *only* specialists trained and experienced to meet the careful monitoring, constant evaluation and complex treatment needs of this highly vulnerable patient population. It is critical that a permanent, long-term replacement for the SGR be identified, as inaction will produce a deleterious effect on quality care offered to the chronically ill ESRD population.

Parallel to the discussion surrounding Medicare physician payment reform is the issue of quality patient care. ASPN supports incorporating a payment methodology that provides incentives for quality improvement, and is in the process of working with the AMA Physician Consortium for Performance Improvement (PCPI) on the development of pediatric ESRD measures. As a result of these efforts, the pediatric ESRD community intends to have at least one quality measure ready for implementation by CY2009. While ASPN supports quality improvement activities, adding another payment methodology to an already flawed system will produce further confusion and complications for both Medicare physicians and the pediatric beneficiaries and their families who depend upon their care. The ASPN recognizes that the problem ultimately lies in the formula for updating Medicare physician fee schedule payments, which is linked to overall economic performance, not to the care and treatment needs of pediatric kidney disease patients.

ASPN urges Congress to enact permanent changes in the methodology used to calculate Medicare physician payments, so as to ensure that pediatric kidney disease patients are afforded access to appropriate nephrology care that improves a pediatric ESRD patient's quality of life.

**Congress must replace the SGR formula with one that provides annual updates that reflect increases in physician practice costs.**

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Founded in 1969, the ASPN is a professional society of pediatric nephrologists, whose primary goals are to promote optimal care for children with renal disease and to disseminate advances in the clinical practice and basic science of pediatric nephrology. Currently, with over 600 members, the ASPN represents the physicians who care for children with kidney disease in North America.