



Overview: Medicare Improvements for Patients and Providers Act (P.L. 110-275)

In July 2008, Congress took the extraordinary action of passing *Medicare Improvements for Patients and Providers Act* (MIPPA), the most significant reform to the Medicare End Stage Renal Disease (ESRD) program since its inception 37 years ago. At a time when 26 million Americans have Chronic Kidney Disease (CKD) and 500,000 Americans are living with ESRD, there are few other health issues this significant that the federal government could address.

Overview of the ESRD Program Reforms in MIPPA

In 1972, Congress amended the Medicare program to provide those living with kidney failure coverage for lifesaving therapies, and eleven years later, they implemented the “composite rate” for reimbursing dialysis providers. Twenty years later, Congress passed the *Medicare Modernization Act* (MMA), which mandated that the ESRD composite rate be increased by 1.6% for dialysis treatments and included an adjustment of 8.7% for drug add-ons.

The 2008 enactment of MIPPA marked the first major overhaul to Medicare’s ESRD program in over a decade. The following is a list of changes mandated in MIPPA:

Required the Secretary of Health and Human Services to modernize the dialysis payment. Under MIPPA, the Secretary implemented a fully-bundled payment system for ESRD, effective January 1, 2011. The legislation detailed the items and services to be included in the bundled payment, including drugs and laboratory tests that were previously paid for separately.

Protected patients with more complex needs. The bill ensured proper care for Medicare beneficiaries with more acute conditions by enacting the following three measures:

- **Case Mix Adjustment:** Adjusted payments upward for patients with higher costs of care.
- **Additional Reimbursements:** Required additional reimbursements to help providers with higher costs associated with outlier payments.
- **Quality of Care Standard:** Mandated that providers of ESRD meet certain quality of care standards, such as demonstrating improvement or high levels of achievement. The bill authorizes cuts in payments to ESRD providers who do not meet specified quality targets.

Increased payments to providers of ESRD services. This bill provided a permanent market-based update to providers of renal dialysis services, as well as extra payments to pediatric, rural, or other providers that may require additional resources to provide high quality care to their patients.

Increased outreach and education programs for patients with kidney disease. The legislation required the establishment of kidney pilot programs to track and screen for an increase in kidney disease, as well as Medicare Coverage for six kidney disease education sessions.