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End-Stage Renal Disease Treatment Choices (ETC) Model
Achievement Benchmarks for Measurement Year 6 (July 1, 2023 – June 30, 2024)

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Introduction

The End-Stage Renal Disease (ESRD) Treatment Choices (ETC) Model is a mandatory payment model intended to encourage greater use of home dialysis and kidney transplants for Medicare beneficiaries with ESRD, while reducing Medicare expenditures and preserving or enhancing the quality of care furnished to beneficiaries with ESRD.[1] The Centers for Medicare and Medicaid Services (CMS) randomly selects Hospital Referral Regions (HRRs) for inclusion in the ETC Model. All eligible ESRD facilities and Managing Clinicians located in selected HRRs are required to participate in the ETC Model.

Following each measurement year (MY), CMS separately calculates the home dialysis rate and the transplant rate at the ESRD facility and Managing Clinician aggregation group levels[2,3] using the methodologies described in the ETC final rules, Specialty Care Models To Improve Quality of Care and Reduce Expenditures (CMS-5527-F),[4] End-Stage Renal Disease Prospective Payment System, Payment for Renal Dialysis Services Furnished to Individuals With Acute Kidney Injury, End-Stage Renal Disease Quality Incentive Program, and End-Stage Renal Disease Treatment Choices Model (CMS-1749-F),[5] and End-Stage Renal Disease Prospective Payment System, Payment for Renal Dialysis Services Furnished to

[1] https://innovation.cms.gov/innovation-models/esrd-treatment-choices-model

[2] Aggregation is intended to promote the reliability of performance rate calculations and the accuracy of comparisons between performance rates and benchmarks. The aggregation group for subsidiary ESRD facilities is all ESRD facilities located within the ESRD facility's HRR owned in whole or in part by the same company. For ESRD facilities that are not subsidiary ESRD facilities, there is no aggregation group and the ESRD facility's home dialysis and transplant rates are based on the independent facility's data. A subsidiary ESRD facility is an ESRD facility owned in whole or in part by another legal entity.

[3] The aggregation group for Managing Clinicians in group practice is all Managing Clinicians located within the same HRR who bill through the same Taxpayer Identification Number (TIN) appearing on Monthly Capitation Payment (MCP) claims. If a Managing Clinician is associated with multiple TINs on MCP claims, the Managing Clinician belongs to multiple aggregation groups. For solo practitioners who are not part of a group practice, the Managing Clinician's home dialysis and transplant rates are based on the solo practitioner's data.

[4] https://www.federalregister.gov/documents/2020/09/29/2020-20907/medicare-program-specialty-care-models-to-improve-quality-of-care-and-reduce-expenditures

[5] https://www.federalregister.gov/documents/2021/11/08/2021-23907/medicare-program-end-stage-renal-disease-prospective-payment-system-payment-for-renal-dialysis

Individuals With Acute Kidney Injury, End-Stage Renal Disease Quality Incentive Program, and End-Stage Renal Disease Treatment Choices Model (CMS-1768-F).[6]

CMS defines home dialysis and transplant rates as follows:

- **Home Dialysis Rate** is the percent of dialysis treatment beneficiary years during the MY for which attributed ESRD beneficiaries received dialysis at home. The rate's numerator includes home dialysis, as well as in-center self dialysis and in-center nocturnal dialysis, both of which are equal to one-half the value of home dialysis. The nocturnal dialysis is added to the rate's numerator starting BY3/MY3.
- **Transplant Rate** is the sum of the transplant waitlist rate and the living donor transplant (LDT) rate. Transplant waitlist rate is the percent of dialysis treatment beneficiary years during the MY in which attributed ESRD beneficiaries were represented on a kidney transplant waitlist. LDT rate is the rate of ESRD Beneficiaries and, if applicable, Pre-emptive LDT Beneficiaries[7] attributed to the ETC Participant who received a kidney transplant from a living donor during the MY. This rate is the share of beneficiary months between the beginning of the MY up to and including the month of the transplant out of the total beneficiary months attributed to the ETC Participant.

CMS compares the aggregation group's home dialysis and transplant rate to achievement and improvement benchmarks and assigns a Modality Performance Score (MPS). CMS will determine the magnitude of the aggregation group's Performance Payment Adjustment (PPA) based on the MPS according to the schedule in the ETC final rule. The PPA applies to all aggregation groups located within selected geographic areas with at least 11 attributed beneficiary years or 132 attributed beneficiary months during the MY.

The purpose of this document is to present achievement benchmarks for the ETC Model MY6 that begins on July 1, 2023.[8] The document also describes the methods that CMS uses to calculate the achievement benchmarks and how CMS uses these benchmarks to assess the performance of ESRD facilities and Managing Clinicians participating in the ETC Model.

Achievement Benchmarks

Achievement benchmarks for the ETC Model are based on historical home dialysis and transplant rates for non-participating ESRD facilities and Managing Clinicians who provide care in comparison geographic areas, i.e., HRRs that were not selected to participate in the ETC Model. Achievement benchmarks are based on a 12-month time period, referred to as the benchmark year (BY), that begins 18 months before the start of the MY and ends 6 months prior to the MY. The BY for MY6 is January 1, 2022 through December 31, 2022.

Starting MY3, CMS implemented two changes to achievement benchmarking:

(i) Use home dialysis and transplant rates observed in Comparison Geographic Areas as the base for the achievement benchmarks and increase the achievement benchmarks above the Comparison Geographic Area rates during the BY by 10 percent every two MYs.

[6] https://www.federalregister.gov/documents/2022/11/07/2022-23778/medicare-program-end-stage-renal-disease-prospective-payment-system-payment-for-renal-dialysis

[7] Pre-emptive LDT transplants are attributable only to Managing Clinicians.

[8] CMS will distribute improvement benchmarks used to score the improvement of each aggregation group following the end of MY.

(ii) Stratify the achievement benchmarks for home dialysis rate and transplant rate according to the proportion of beneficiary years attributed to the aggregation group for which attributed beneficiaries were Dual Eligible (DE) for Medicare and Medicaid or received the Low Income Subsidy (LIS).

CMS created two sets of achievement benchmarks to measure the performance of ETC Participants who are grouped into two strata:

(i) Stratum 1: 50 percent or more of attributed beneficiary years during the MY are for beneficiaries who are dual eligible or LIS recipients.

(ii) Stratum 2: Less than 50 percent of attributed beneficiary years during the MY are for beneficiaries who are dual eligible or LIS recipients.

To generate the stratified achievement benchmarks, CMS calculated BY6 home dialysis and transplant rates for ESRD facilities and Managing Clinicians in Comparison Geographic Areas at the aggregation group level and stratified the rate distributions according to the DE/LIS proportion of the aggregation group. CMS then identified the cut-points by multiplying the 30th, 50th, 75th and 90th percentiles of the two distributions of home dialysis and transplant rates with 1.2. The rates corresponding to each percentile based cut-point for a stratum will serve as the benchmarks for assessing the performance of aggregation groups of ETC Participants that fall within that stratum in MY6. All ETC Participants who are in the same stratum are subject to the same achievement benchmarks.[9]

Achievement benchmarks for MY6 are shown in **Exhibit 1.A** (for Stratum 1 where the percentage of DE/LIS beneficiary years of aggregation groups are 50% or more of total attributed beneficiary years) and **Exhibit 1.B** (for Stratum 2 where the percentage of DE/LIS beneficiary years of aggregation groups are less than 50% of total attributed beneficiary years).

Exhibit 1.A: ETC Model MY6 Achievement Benchmarks for Stratum 1 (>= 50%)

Performance Rate	MY6 Benchmarks (Percentiles)			
	1.2 × 30th	1.2 × 50th	1.2 × 75th	1.2 × 90th
ESRD Facilities				
Home dialysis rate	0.00%	8.93%	21.92%	40.76%
Transplant rate	16.24%	22.99%	35.16%	50.07%
Managing Clinicians				
Home dialysis rate	0.00%	5.64%	17.45%	30.36%
Transplant rate	13.42%	21.65%	34.83%	51.93%

[9] By contrast, improvement benchmarks are ETC Participant aggregation group-specific, and based on the ETC Participant's own historical performance in the BY.

Exhibit 1.B: ETC Model MY6 Achievement Benchmarks for Stratum 2 (< 50%)

Performance Rate	MY6 Benchmarks (Percentiles)			
	1.2 × 30th	1.2 × 50th	1.2 × 75th	1.2 × 90th
ESRD Facilities				
Home dialysis rate	13.97%	20.18%	29.13%	44.52%
Transplant rate	17.05%	22.24%	30.27%	40.24%
Managing Clinicians				
Home dialysis rate	6.19%	15.84%	26.33%	39.23%
Transplant rate	15.79%	22.69%	34.10%	49.67%

Achievement Scoring

Following the end of MY6, CMS will use a method similar to the one used to calculate BY6 home dialysis and transplant benchmark rates to calculate MY6 home dialysis rates and transplant rates for aggregation groups of ETC Participants. CMS will identify the achievement benchmarks applicable to ETC Participants based on the proportion of beneficiary years attributed to the aggregation group for which attributed beneficiaries were dual eligible or LIS recipients during the MY.

CMS then compares ETC Participants' MY6 rates to the percentile-based benchmarks and assigns points using the achievement score scale for MY6 shown in **Exhibit 2** below. Starting MY5, an ETC Participant may receive up to 2.0 points when its aggregation group's home dialysis or transplant rate is at or above the 1.2 * 30th percentile of the corresponding benchmark distribution. If the aggregation group's rate for a given measure is below the 1.2 * 30th percentile, it receives zero points for that rate. For MY5 through MY10, CMS will assign an achievement score to an ETC Participant for the home dialysis rate or the transplant rate only if the ETC Participant's aggregation group has a home dialysis rate or a transplant rate greater than zero for the MY.

CMS combines the achievement score with the improvement score to calculate the ETC Participant's MPS, the approach for which is explained in the ETC final rules. The MPS is a weighted sum of the higher of the achievement score or the improvement score for the ETC Participant's home dialysis rate and transplant rate. The MPS represents the aggregation group's relative performance in providing home dialysis and in-center self dialysis or in-center nocturnal dialysis as an alternative to in-center hemodialysis and promoting access to kidney transplants.

Exhibit 2. Achievement Score Scale and Applicable Points for MY6

Achievement Score	Points
1.2 * (90th + percentile of rates for comparison geographic areas during the benchmark year)	2
1.2 * (75th + percentile of rates for comparison geographic areas during the benchmark year)	1.5
1.2 * (50th + percentile of rates for comparison geographic areas during the benchmark year)	1
1.2 * (30th + percentile of rates for comparison geographic areas during the benchmark year)	0.5
1.2 * (<30th percentile of rates for comparison geographic areas during the benchmark year)	0