



Dialysis Cost Containment

The PHC Dialysis Cost Containment program helps health plans deliver a lifesaving treatment to their members while protecting plan assets. The Coalition has an agreement with **Renalogic**, a company that **saves health plans significant money by repricing claims submitted for dialysis treatment.**

Why Dialysis Cost Containment is Needed

Outpatient dialysis is a lifesaver for people with end-stage renal disease (ESRD). Offered primarily through clinics and stand-alone dialysis centers, **two players control a majority of the U.S. market.** In addition to lack of competition, a quirk in the **Medicare rules covering dialysis allow these providers to control prices.**

ESRD patients of any age are eligible to enroll immediately for Medicare Parts A, B and D as long as they have an ESRD diagnosis. Under the Medicare secondary payer rules, if a person with ESRD is covered by a group health plan, that plan is considered primary for the first 30-33 months, depending on the dialysis modality. However, starting with month four of dialysis treatment, a person who has elected Medicare cannot be balanced billed for the cost of care that exceeds the plan's reimbursement.

Because outpatient dialysis providers have to accept Medicare reimbursement starting in month 34, the major providers charge significantly higher rates for the first 33 months of treatment. **Claims of \$100,000 a month are not uncommon.** At this rate, health plans can quickly reach their stop-loss deductibles.

Goals

PHC offers Dialysis Cost Containment services to:

- Help plans ensure their members have cost-effective access to dialysis treatment.
- Protect plans from being overcharged for a treatment dominated by two providers.
- Include Renalogic's kidney disease care management program (as an add-on) to help members improve their overall health.

How it Works

Renalogic calculates a U&R fee (usual and reasonable) for outpatient dialysis services based on a combination of factors including commercial (non-Medicare) rates charged by the providers, Medicare reimbursements and proprietary data that Renalogic has accumulated during the past 20+ years.

[Proven health care cost reduction through strength in numbers](#)

111 West 16th Avenue, Suite 203, Anchorage, AK 99501
(907) 474-4226 phcoalition.org

Here is an example of the potential cost savings:

Patient A	
Facility Dialysis Clinic B	
Payor Group C	
Date of Services: 8/16/23 - 9/24/23	
Total Billed Charges	\$115,000
Recommended Payment	\$ 17,825
SAVINGS	\$ 97,175



84.5%
average savings off
contracted dialysis rates.
Certified by the
Validation Institute.

Benefits

- Renalogic uses the dialysis providers’ own, published information to calculate the U&R, providing a **solid foundation for negotiating with the provider.**
- PHC member plans can continue to provide **essential dialysis treatments** to their members.
- Dialysis cost containment **protects the health plan from over-paying** for a critical health care service, from reaching its stop-loss deductible and potentially from insolvency.

About Renalogic

Founded in 2002, Renalogic helps self-funded plans and their health plan members reduce the human and financial costs of chronic disease (CKD) and dialysis treatment. They help plans manage dialysis claims costs and work to prevent members from progressing to dialysis.

Through their cost containment and care management solutions, Renalogic:

- Is **230% better** than commercial plans at identifying undiagnosed CKD.
- Is **86% effective** at preventing members from kidney failure.
- Delivers **84.5% average savings** off contracted rates with their claims repricing.

Learn More

To learn more about the Dialysis Cost Containment or Chronic Kidney Disease Management programs, please contact PHC at (907) 474-4226 or (888)474-4226.

You may also visit. www.renalogic.com