

# United States Senate

WASHINGTON, DC 20510

October 21, 2010

Dr. Donald Berwick  
Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
Hubert H. Humphrey Building  
Room 314G  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Administrator Berwick,

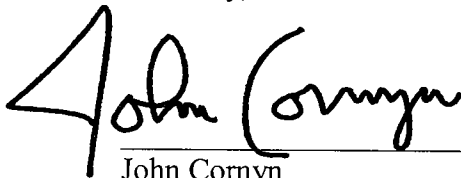
We appreciate the Centers for Medicare & Medicaid Services' (CMS) work to establish a reasonable regulatory structure for dialysis facilities under the new prospective payment system (PPS). However, we are concerned that the planned 2011 payment adjustment tied to anticipated facility behavior is based on a potentially inaccurate estimate. Implementation of the adjustment without revision could reduce efficiencies under the new system and disrupt dialysis care.

Based on an assumption that just 43 percent of all dialysis facilities will elect to fully opt in to the PPS in 2011, instead of a four year phase-in, CMS plans to impose a negative "transition adjustment" of 3.1 percent on all facilities in order to maintain budget neutrality. While we recognize that it is difficult to estimate precisely how facilities will behave, facilities must inform CMS by November 1 whether they intend to be paid fully under the PPS or transition into it. CMS will then know the actual number of facilities choosing to transition.

Given the importance of the success of the PPS to patients, providers and the Medicare program, we urge CMS to revise the transition adjustment as soon as practicable to account for the submitted data. As you know, any such adjustment would not result in additional spending.

Without a timely revision to reflect actual facility choices, the 3.1 percent planned transition adjustment will remain inaccurate and could lead to access problems for patients. We hope that CMS will publish a technical correction as soon as practicable to incorporate the correct adjustment based on actual submitted data.

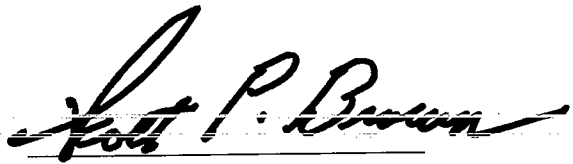
Sincerely,



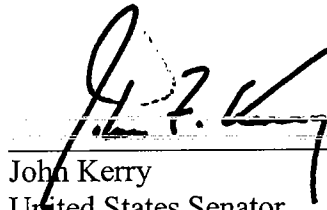
John Cornyn  
United States Senator



Kent Conrad  
United States Senator



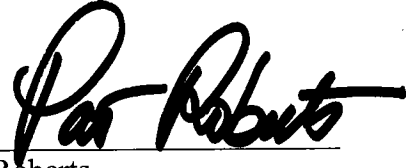
Scott Brown  
United States Senator



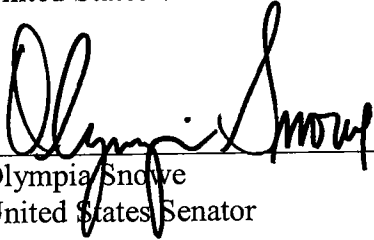
John Kerry  
United States Senator



Bill Nelson  
United States Senator



Pat Roberts  
United States Senator



Olympia Snowe  
United States Senator



Debbie Stabenow  
United States Senator