

on how it will provide non-ESRD medical services to its population.

Applicants will be evaluated on their infrastructure to carry out the selected delivery model. This may include:

- Facilities.
- Equipment.
- Appropriate information and financial services.
- Ability to handle claims to pay providers (for the managed care and PACE-type models).
- Composition of the multidisciplinary team and how the team will function (for the PACE-type model).
- Any special arrangements that may be needed to make transplant services available.

Applicants under all three delivery options—managed care, PACE-type and the fee-for-service bundled payment—should identify the dialysis facilities where services will be provided, and how patients receiving services in those facilities will receive information about the demonstration project, including information on the advantages of retaining and risks of discontinuing Medigap coverage. It is expected that the bundled payment will be for all patients at the facility. In the event that a patient does not want to receive services at the facility, the applicant organization should identify other dialysis facilities conveniently located and with openings so as to allow a patient to receive services. If such a facility is not located within a reasonable distance, the applicant organization should state how it will accommodate patients who do not wish to participate. Applicants should also address what arrangements it will make for traveling patients who receive care in other facilities.

Whether an applicant proposes to serve a disadvantaged population or area will be an important consideration as to whether it is selected for the demonstration. Applications will be evaluated on how they propose to reach out to minorities or other disadvantaged individuals. A demographic profile of the service area, including estimated numbers of ESRD patients by age, sex, race and ethnicity, treatment status/modality and poverty status, along with any relevant socioeconomic or transportation issues, will be considered in determining the demonstration site's potential for assisting a disadvantaged population or area.

(c) *Disease Management Features.* Applicants will be evaluated on their disease management program, including their understanding of the role of the nephrologist in the care of the ESRD patient and the role of the care manager

in providing or coordinating services beyond the dialysis facility. In addition, applicants will be evaluated on:

- The proposed disease management services and how they will increase quality and reduce costs.
- The proposed roles of the physician, case managers, and other appropriate staff such as advanced practice nurses, in planning for and coordinating the care of ESRD patients.
- The schedule of visits with the nephrologist and frequency of dialysis.
- The methods of training to ensure a team of care managers with specialized knowledge of diet and medications, as well as other personal needs of ESRD patients.
- How multidisciplinary teams will be used to serve ESRD patients, including the composition of these teams and proposed activities.
- The development and use of protocols to guide case managers' activities.
- If applicable, accreditation specific to disease management by a national organization.

(d) *Service Package*

Under the capitation option, all Medicare-covered services are to be provided. If a demonstration organization participates in a State Medicaid program, then it must work with that State program to meet its requirements. Applicants will be evaluated on their experience with the special clinical, service, and social support needs of the ESRD population and any measures they plan to take to enhance these measures in the demonstration. Applicants will be evaluated on their ability to offer patients a wide choice of treatment modalities, although it is recognized that certain providers may be limited in offering this choice.

3. Financial and Organizational Capability (35 points)

(a) *Ability to Bear Risk.* Applicants must be in compliance with State laws and regulations. Any activities undertaken by an organization under the capitation payment model cannot place the organization in conflict with State requirements on financial risk-bearing. If applicable, applicants will be evaluated on their ability to meet risk-bearing requirements.

(b) *Ability to Meet Enrollment Projections.* Applications will also be evaluated on how many beneficiaries are expected to be treated each year at each site. Under the capitation options, the applicant will be evaluated on its marketing strategy, including its plans to enroll both current and new patients to the demonstration. In addition, the

applicant will be evaluated on how it explains how beneficiaries will be informed about supplemental insurance (Medigap) policies and protections. The applicant may restrict eligibility of enrollees by age or other criteria, as long as it gives an acceptable justification.

(c) *Staffing.* Applicants will be evaluated on demonstrated expertise among key personnel, including the following:

- Clinical knowledge and experience, including nephrology.
- Managed care and disease management expertise.
- Financial management expertise.

(d) *Financial and Organizational Provisions.* Applicants will be evaluated on the attractiveness to beneficiaries of Medicare cost-sharing arrangements under the demonstration.

Applicants choosing either the capitation payment or fee-for-service bundled payment options will be evaluated on their projection for attaining budget neutrality for the Medicare program. Applicants for the fee-for-service bundled payment option should include the expanded bundle payment as a medical expense, and project budget neutrality by comparing the payment to costs savings from the disease management intervention on an annual basis. Applicants should justify their proposed cost savings by projections of reduced utilization, references to disease management literature, and the organization's experience. An applicant for the fee-for-service bundled payment option should estimate the amount of ESRD and non-ESRD Medicare claims for its patient population.

If proposing risk sharing for the capitation option, an applicant will be evaluated on the quality of their projected revenue and expense statements, as well as on their analysis of budget neutrality. An applicant for the capitation option will be evaluated on the appropriateness of its Medical Loss Ratio.

(e) *Ability to Implement.* The applicant's organization will be evaluated on the basis of its ability to effectively develop and implement this demonstration project (including evidence of approval by governing boards), commitment of funds to planning and development, and formation of multi-disciplinary and cross-component task forces. The demonstration allows organizations to shift from treating patients in fee-for-service to treating them in managed care. Applicants choosing the managed care or PACE-type delivery option must explain how this change in service delivery will be completed, including