



Dialysis & Nephrology

A biweekly report by Benesch on the
Dialysis & Nephrology Industry

DIGEST

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Dialysis & Nephrology DIGEST

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FEBRUARY 17–21, 2021

ASDIN Goes Virtual!

Interesting cases–ASDIN Unmet/High Priority Needs in Vascular Access Research. For information, please click [here](#).

FEBRUARY 19–21, 2021

ASDIN 17th Annual Scientific Meeting

For information, please click [here](#).

ASDIN Announces Micro Research Grants

For information, please click [here](#).

ASDIN Accepting Applications Until December 31 for the \$25K Research Grant in Vascular Access

Click [here](#) for more information.



Please contact us if you would like to post information regarding your upcoming events or if you'd like to guest author an article for this newsletter.

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Nephrology Practice and Dialysis

OCTOBER 30, 2020

Fresenius asks judge to reject whistleblower's demand for \$11.5M in attorney fees, costs

Fresenius contends that as only one of the three allegations brought forward by a former area manager actually resulted in a settlement - albeit for far less than was originally sought - then a federal judge should reject a demand by the whistleblower for the company to pay the man \$11.5 million in attorney fees and costs. Fresenius argues the suit, based upon FCA allegations that the company was billing Medicare for unnecessary hepatitis B tests, wasn't successful in any way. The U.S. Department of Justice intervened in the case and negotiated a \$5.2-million settlement with Fresenius, from which the whistleblower was supposed to get a share. However, the firm calls the latest amount an exorbitant fee.

SOURCE: Law 360 (sub. req.)

Nephrology Practice and Dialysis (cont'd)

OCTOBER 23, 2020

DaVita shareholders ask federal judge to approve \$50M from executives to settle insurance scheme action

DaVita shareholders brought the derivative action forward over a scheme by the company to steer dialysis patients toward private insurers and away from government-backed plans. Besides the cash payout from DaVita's directors and officers insurance, the deal would include changes to the organization's structure. These reforms are meant to increase the independence of board members and if accepted, would also separate the roles of board chair and CEO and permit incentive clawbacks in the event of significant misconduct.

SOURCE: Law 360 (sub. req.)

OCTOBER 29, 2020

Fresenius reports \$3.6B in revenue, increased operating income on North American operations in Q3

For its North American operations in Q3, Fresenius reports stable revenue of \$3.6 billion that was partly buoyed by an improved commercial mix and acquisitions but offset by a COVID-related volume decrease. Dialysis care operations represented 80% of revenue in the quarter. Operating income increased by 8% in Q3 to \$607.7 million. Fresenius notes that under its dialysis care services umbrella, the number of clinics and the number of patients in North America each rose YoY by 1% so far in 2020, to 4,073 and 349,167 respectively. The number of dialysis treatments at North American clinics in the first nine months of the year rose by 3% to just over 40 million.

SOURCE: Fresenius Medical Care

OCTOBER 29, 2020

DaVita reports YoY increase in net income in Q3; but commercial revenue, volume slip

In its Q3 financial statement, DaVita reports consolidated revenue of \$2.9 billion for the quarter ending September 30. Operating income was recorded at \$438 million, while Q3 net income rose by \$16 million YoY to \$159 million. However, the company notes there were an average of 96,914 dialysis treatments per day at its facilities in Q3, a decrease of 0.2% from the same period last year. As well, commercial revenue per treatment was \$349.63, which was \$2.63 less than the figure recorded during Q2 of 2020.

SOURCE: DaVita

November 17, 2020

Nephrology Practice and Dialysis (cont'd)

OCTOBER 22, 2020

Cricket Health appoints Robert Sepucha as CEO; obtains \$15M in debt financing

San Francisco-based kidney care provider Cricket Health says [Robert Sepucha](#) is replacing company co-founder Arvind Rajan as CEO. Rajan will stay on in the capacity of executive chair of the board of directors. Sepucha joined the company in 2018 as CAO and previously served in executive capacities at Fresenius for over seven years. Cricket Health also secured \$15 million in capital from an alternative financing company to support the company's growth initiatives.

SOURCE: Cricket Health

NOVEMBER 5, 2020

ASN calls on ICE to remove proposed rule that could affect foreign-born nephrologists

Unlike the current "duration of status" protocol, the ASN [says](#) a [proposed rule](#) from ICE would establish a fixed time period of admission for non-immigrant academic students. It contends that this change could cause foreign-born medical students to think twice about furthering their educations in the U.S., particularly in nephrology, in which almost half of all specialists graduated from foreign medical schools. The society calls upon ICE to exempt clinicians and scientists from the proposed immigration policy.

SOURCE: American Society of Nephrology

NOVEMBER 3, 2020

Calif. ballot measure to force dialysis clinics to maintain on-site physicians defeated: AP

[Proposition 23](#), which would have required all of Calif.'s 600 dialysis clinics to have a doctor on-site during business hours, was only supported by 36% of state voters. Opponents of the measure, led by clinic operators like [DaVita](#) and Fresenius, raised over \$105 million for the "No" campaign, which contended the initiative was less about patient care and more about organizing dialysis clinic workers. The "Yes" side was mainly backed by healthcare unions and raised around \$9 million to support the campaign. This is the second such measure to be turned down by the Calif. electorate, which rejected a ballot proposition in 2018 that would cap dialysis clinics' profits and force them to invest more of their profits in patient care.

SOURCE: Los Angeles Times

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November 17, 2020

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Nephrology Practice and Dialysis (cont'd)

NOVEMBER 5, 2020

[Strive Health partnering with 20 nephrology groups to deliver CKCC payment model](#)

Medicare's Comprehensive Kidney Care Contracting (CKCC) options of the Kidney Care Choices model incentivizes providers to manage the care of beneficiaries with Stage 4/5 CKD and ESRD and unlike prior value-based models, CKCC aligns patients based on nephrology care, not dialysis treatment. Denver-based Strive Health is partnering with close to 200 physicians and specialists in several states to implement the CMMI payment innovation model, set to launch its performance period on Apr. 1.

SOURCE: Strive Health

VAC, ASC and Office-Based Labs

OCTOBER 29, 2020

[Newsweek uses QOC data, health provider survey to name top ASCs in U.S.](#)

Newsweek analyzed over 4,300 ASCs in 25 states that have the most facilities, assessing them by quality of care and performance measures and inputting the centers' handling of the COVID-19 crisis. As well, the publication conducted surveys of ASC nurses, therapists, physicians, surgeons and administrators, with the combined data used to identify the 400 best facilities in the U.S. The lowest score among those in the ranking was 74.1%; the highest was 93.2%.

SOURCE: Newsweek

Other Interesting Industry News

OCTOBER 26, 2020

[Not-for-profit healthcare organizations Intermountain, Sanford to merge](#)

Utah-based Intermountain Healthcare says the proposed merger with Sanford Health of S.D. would create an organization with 1.1 million members, 89,000 employees and 70 hospitals, as well as 435 clinics in seven states, while providing care at 233 seniors' facilities in 24 states. If the merger is finalized as currently constructed, Intermountain president and CEO Marc Harrison would head up the combined operation. No financial terms were revealed.

SOURCE: Intermountain Healthcare
