16th annual ranking

Provider rankings see minor adjustments, ready for bundle's arrival

By Mark E. Neumann

It's go time.

This month, it is anticipated that the final version of the new payment bundle for the end-stage renal disease program will be released. It is the most significant change in reimbursement for Medicare-funded dialysis services in 30 years, and will take effect on Jan. 1.

For the past 16 years, *NN&I* has been watching the changes in the renal provider landscape with its annual ranking of dialysis facility ownership in the United States. This year's survey shows double-figured growth among the major for-profit providers. Liberty Dialysis showed the most significant increase without a major acquisition, increasing patients by 1,160 over the past year (23.3% increase in patient census). U.S. Renal Care, with its acquisition of Dialysis Corporation of America in May, jumped two spots in the ranking to No. 8, increasing its patient popula-

Ten largest U.S. renal providers in 2010

Dialysis Provider	# Patients	HD	Home HD	PD	Units	Patient growth 5/10 vs (5/09)	% growth 5/09 to 5/10
1. Fresenius Medical Care N.A.	132,381	123,119	581	8,681	1,783	9.018 (4.202)	7.3%
2. DaVita Inc.	120,400	108,700	2,000	9,700	1,529	5,721 (6,567)	5.2%
3. Dialysis Clinic Inc.	13,350	12,127	67	1,156	217	303 (158)	2.3%
4. Renal Advantage Inc.	12,000	10,799	396	805	149	1,336 (2,357)	12.5%
5. DSI Renal Inc.	7,868	7,345	91	432	106	176 (-307)	2.3%
6. Liberty Dialysis LLC	6,100	5,372	127	601	108	1,160 (900)	23.5%
7. American Renal Associates	5,800	5,350	30	420	88	800 (700)	16%
8. U.S. Renal Care*	5.508	5.174	94	240	116	2,312 (292)	72.3%
9. Satellite Health Care	4,317	3,396	169	752	50	308 (326)	7.7%
10. Innovative Dialysis Systems	3,911	3,523	15	373	39	715 (292)	15.5%
*acquired Dialysis Corp. of America in May 2010.							
2010 totals [growth: 7.5%]	311,634	284,905	3,569	23,159	4,185		
2009 totals	289,729	266,203	2,836	20,690	3,924		

Dialysis Provider	Reuse?	Percentage
1. Fresenius Medical Care N.A.	no	n/a
2. DaVita Inc.	yes	60%
3. Dialysis Clinic Inc.	yes	75%
4. Renal Advantage Inc.	yes	50%
5. DSI Renal Inc.	no	n/a
6. Liberty Dialysis LLC	yes	25%
7. American Renal Associates	yes	5%
8. U.S. Renal Care Inc.	no	n/a
9. Satellite Healthcare Inc.	yes	75%
10. Innovative Dialysis Systems.	yes	75%

tion by 2,312, or a 72.3% increase. It also almost doubled the number of dialysis clinics it owns with the acquisition.

Overall, the 10 largest dialysis providers increased their patient census by 7.5% over the past year, a jump from a 5.7% increase in 2008 and the largest year-to-year increase in the past three years. They provide care to 311,568 patients. According to the United States Renal Data System, there were 368,544 patients on dialysis at the end of 2007, and *NN&I* estimates that the number of patients receiving dialysis, based on annual increases in the incident rate over the past several years of 3.6%, was 395,458 patients at the end of 2009.

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The for-profit provider with the smallest growth over the past year was DSI Renal, at 2.3%. That is a positive turnaround for the company, however, based on the loss of 307 patients in 2008. The company hired new CEO Leif Murphy last year, and Mark Kaplan, MD, a well-known researcher in nephrology, as its new chief medical officer last month.

As providers grew in patient numbers this year, the bulk of those patients went in-center. Several providers continue to show their strong interest in home therapies, notably Satellite Healthcare (23% of total patients) and Liberty Dialysis, with 14.7%. Both companies improved on their percentage of home patients over the past year. Renal Advantage Inc., which has begun to strengthen its home therapies effort (see page 47) also increased its home patient population. All renal providers in the ranking increased their percentage of home patients compared to the 2009 ranking.

Will *NN&I*'s survey show major changes a year from now, with the new payment bundle in place? More than likely it will be too early to tell. But historically, "provider creep" shows that over the past 16 years the ten largest dialysis companies have continued to increase in size, regardless of the reimbursement scheme.

Figure 1. The changing face of the 10 largest renal providers: 1995-2010

	1995	2010
Number of patients (total)	75,678	311,567
PD patients	11,954	23,092
HD patients	66,424	288,474
Number of dialysis clinics	1,053	4,185

Figure 2. Home dialysis patients as a percentage of total patients, 2009 vs.2010

	2009 total	% of total patients	2010 Total	% of total patients
Fresenius Medical Care N.A.	8,174	6.63%	9.262	7.5%
DaVita Inc.	10,500	9.17%	11,700	10.2%
DCI	1,078	8.31%	1,156	8.9%
Renal Advantage Inc.	1,053	9.87%	1,201	11.3%
DSI Renal	481	6.25%	523	6.8%
Liberty Dialysis LLC	490	9.92%	728	14.7%
American Renal Associates	382	7.64%	450	9.0%
U.S. Renal Care	258	8.07%	334	10.5%
Satellite Healthcare	819	20.43%	921	23.0%
Innovative Dialysis Systems	291	8.60%	388	11.5%