

End Stage Renal Disease Seamless Care (ESCO) Fact Sheet

1

What is an End Stage Renal Disease Seamless Care Organization, or ESCO?

An ESCO is a partnership between nephrologists and dialysis providers that offers highly coordinated, patient-centered care to assigned Medicare beneficiaries with End Stage Renal Disease (ESRD). By monitoring and managing the total care of the ESRD patient, the ESCO aims to avoid inappropriate hospitalizations and help patients move from high-risk to lower-risk on the health care continuum.

ESCOs are designated to provide these services by the Centers for Medicare and Medicaid Services (CMS). To support this model, CMS grants the ESCO special waivers that allow the ESCO to encourage patients to become more actively engaged in their own care. The program follows the Accountable Care Organization (ACO) model and is the nation's first disease-specific shared savings program.

2

Why does Fresenius Medical Care North America (FMCNA) participate in the ESCO program?

Health care is moving toward a value-based system focused on caring for the whole patient, improving efficiencies and reducing costs. FMCNA, operating under the name Fresenius Seamless Care, is making an investment in ESCOs in a very disciplined and thoughtful way because the company believes value-based care is fundamentally important. This investment demonstrates the value FMCNA places on collaboration with CMS, policymakers and physicians for the benefit of its patients. It also shows the importance the company places on patients taking an active role in their own care.

3

What makes FMCNA's ESCOs unique?

The cornerstone of the ESCO program for FMCNA is its Care Navigation Unit (CNU), a team of specially trained nurses and care technicians who provide 24/7 patient support and care management services. By focusing on both the physical and emotional needs of each patient, the Care Navigation Unit can anticipate issues before they arise and help patients respond more quickly when they happen. The Care Navigation Unit has proven that through rigorous patient monitoring and appropriate intervention, they can significantly improve patient health outcomes, reducing hospital admissions by up to 20 percent and readmissions by up to 27 percent in ESRD populations.

4

How do patients become part of an ESCO, and what eligibility criteria exists?

CMS will prospectively match eligible beneficiaries to ESCOs through a claims-based process identifying individuals for whom CMS will hold an ESCO clinically and financially accountable. There is not an enrollment process in which beneficiaries sign-up as they would for a managed Medicare plan. Beneficiaries will remain part of the ESCO for the life of the demonstration program, unless they lose eligibility.

To qualify, a dialysis patient must:

- Be enrolled in Original Medicare Parts A & B
- Have Medicare as the primary payer
- Not be enrolled in another Medicare-managed care plan
- Be at least 18 years of age and reside in the United States
- Receive >50 percent of annual dialysis services in the ESCO's area
- Not have received a kidney transplant in the last 12 months

5

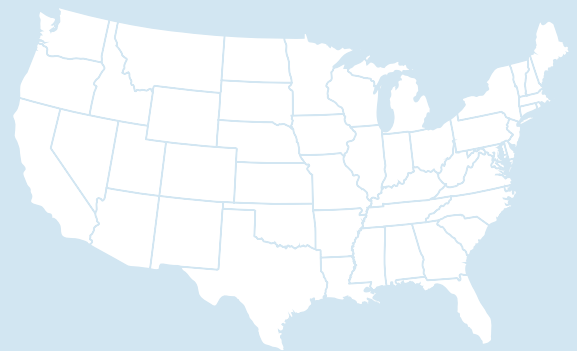
Does participation in the ESCO change the benefits a patient receives under Medicare?

No. Beneficiaries will maintain full Medicare benefits, including the freedom to receive services from any Medicare-participating provider at any time. There is no additional cost for a patient to participate in the ESCO.

Fast Facts

6 MARKETS
Awarded in 2016

18 MARKETS
Awarded in 2017



FMCNA has championed alternative payment models since 2006.



This growth will allow FMCNA to support the physical and emotional needs of four times as many patients as last year.



FMCNA achieved the country's largest number of top-rated, Five Star dialysis centers in 2016, based on the Dialysis Facility Compare Five Star Quality Rating System issued by CMS. This focus on quality will continue to drive FMCNA's ESCO success.