

May 30, 2012

Board of Community Health
PO Box 1966
Atlanta, Georgia

Dear Board Member,

As the nation's largest patient-led organization representing dialysis patients, Dialysis Patient Citizens (DPC) strives to improve the quality of life of all dialysis patients through education and advocacy. We are writing today on behalf of the estimated 17,100 dialysis patients in Georgia, specifically the approximately 1,600 patients who are Qualified Medicare Beneficiaries (QMB). We are concerned about the disproportionate impact the Medicaid policy change regarding provider reimbursement for these patients will have on patient access and choice.

Individuals living with end stage renal disease (ESRD) must undergo life-sustaining dialysis treatments, usually three times per week, and the treatments are extensive, typically lasting several hours. Most patients in Georgia receive their dialysis treatments in one of the nearly 400 dialysis centers in the State. DPC is concerned about the Medicaid payment policy change effective May 11, 2012 that eliminates the Medicaid secondary payments to providers for QMB patients on dialysis. Patients with a diagnosis of ESRD qualify for Medicare coverage and many of these patients are dually eligible for Medicaid, with these beneficiaries representing between 30-40% of the total beneficiary population. Due to the structure of the federal dialysis benefit, a majority of the Medicaid reimbursement that Georgia dialysis providers receive for treatments comes through the secondary payments they receive for the 40% of the dual-eligible population that are QMB's. Nearly half of the total Medicaid reimbursement for Georgia's dialysis providers comes from the secondary payments for these QMB's. Because of this fact and because of the frequency with which patients must undergo dialysis treatments, providers of these treatments are disproportionately affected by Medicaid provider payment reductions.

When provider payments are reduced, patient access and choice suffer. This drastic policy change will result in a reduction to providers of an estimated \$11 million, 23% of the overall savings that Medicaid estimates it will save with this policy change. However, the 1,600 dialysis patients in Georgia who are QMB's represent only 3% of the total QMB population. With large cuts such as this, dialysis facilities face tremendous pressure and it is likely that some will have to shut their doors, especially those in the rural areas that serve close to 40% of patients in the state. If facilities close down, especially in these rural areas, patient access will suffer and costs will likely increase. Patients will have to drive longer distances to get treatments and increased travel time is significantly associated with greater mortality risk and decreased health-related quality of life, especially for those travelling more than 15 minutes to treatments. Additionally, transportation costs are likely to rise and more people may utilize Medicaid covered non-emergency medical transportation to get to treatments further from their homes if no other options exist. If people have to travel further and cannot get to their treatments, it will likely result

in increased use of emergency transportation and potential hospital stays, which are more costly for the State.

The impact of this policy change disproportionately affects dialysis patients and providers. Patient's health-related quality of life will likely suffer and patient access to these life-sustaining treatments may be compromised. DPC hopes that the Department of Community Health considers these concerns and delays implementation of this policy change for dialysis providers. We hope that the Department will work with providers and the kidney community to develop alternate sources of savings to diminish the impact to patients and providers, while still helping to best utilize State resources.

DPC appreciates the opportunity to provide feedback and thanks you for all that you do on behalf of dialysis patients in Georgia. If you have any additional questions, please do not hesitate to contact us.

Sincerely,



Hrant Jamgochian, J.D., LL.M.
Executive Director