

March 15, 2019

Assembly Member Jim Wood
Chair of the Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

Assembly Member Chad Mayes
Vice Chair of the Health Committee
State Capitol, Room 6005
Sacramento, CA 95814

Re: Opposition to AB 290

Dear Chairman Wood and Vice Chairman Mayes:

With 33,000 dialysis patient members, over 4,000 of whom reside in California, Dialysis Patient Citizens (DPC) is the nation's largest patient-led organization representing individuals with end-stage renal disease (ESRD). On behalf of California's 70,000 ESRD patients, I am writing to express our opposition to AB 290, which threatens to disrupt the life-saving care provided to these vulnerable patients.

AB 290 would cut the reimbursement rates private insurance companies pay to cover dialysis care to the same level as what Medicare pays. While in theory, this proposal does not sound catastrophic, Medicare rates do not cover the full cost of care. In order for dialysis providers to keep their doors open, for years they have relied on an "all payer system" whereby they recoup higher rates from private insurance companies in order to offset their losses on government coverage. Reduced payments may force numerous facility closures, especially in rural and underserved areas. As a result, many patients will be required to find new dialysis centers, some of which will be much further away from their current facility.

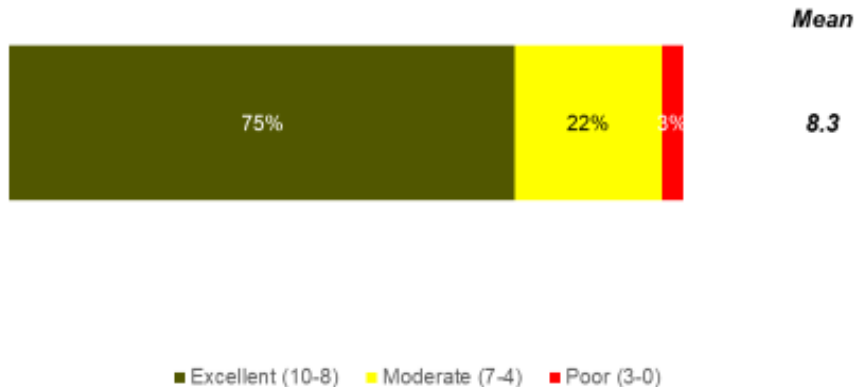
Furthermore, reduced payments will also mean that dialysis providers are going to be less likely to donate money so that patients can use charitable assistance. Charitable assistance can be life saving for a patient and reducing access to that will be devastating for patients in California.

Reduced payments also could jeopardize the quality of care provided to patients at dialysis facilities. As the largest patient led organization for dialysis patients, DPC recently surveyed almost 1,000 patients on various issues and concerns. Overwhelmingly, patients are very satisfied with the care they receive at the dialysis facilities as well as the standards of cleanliness at the facilities. Below are the results from two of our survey questions on their quality of care.

Quality Care Rating



Three-quarters of dialysis patients believe they are receiving excellent quality care from their facility.



Base: Current Dialysis Patients (n=657)

Q33. How would you rate the quality care you currently receive at your dialysis facility? Please use 1-10 point scale where 1=Poor and 10=Excellent quality of care.

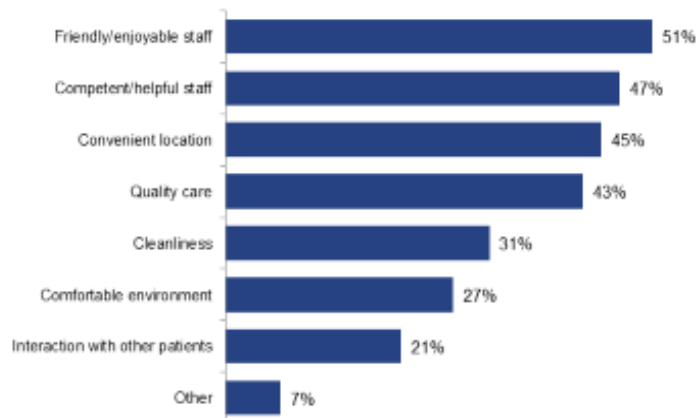
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Positives Regarding Dialysis Facility What Patients Like Most Is...



The two main positives behind what patients like in their dialysis facility is that the staff is friendly/enjoyable and competent/helpful.



Base: Current Dialysis Patients (n=657)

Q34. What do you like best about your dialysis facility? Select all that apply.

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As you can see, patients are currently very satisfied with the quality of care they receive and also their general experience at the dialysis facility. AB 290 would change this. By slashing reimbursement rates, providers will likely have to look to other areas and will have to make cuts,

leading to less staff, lower quality standards, and even facility closures. AB 290 is not what is in the best interests of patients.

While this bill purports to help patients by capping dialysis company profits, the actual result will be devastating to all California dialysis patients, especially the most vulnerable (who will be forced into Medicare sooner, do not have the protection of MediGap in California, and will need to spend down their assets to enroll in MediCal also adding more costs for the state).

If California truly wants to pass legislation which would serve in the best interests of patients, they would pass a bill allowing all ESRD patients access to Medigap. Right now, California is one of only three states, Massachusetts and Vermont being the others, which allow patients who are disabled under the age of 65 with access to Medigap, but specifically excludes ESRD patients. If an ESRD patient under the age of 65 in California wants help covering out of pocket costs or access to transplantation, they are better off moving to Texas or Georgia or one of the other 28 states that guarantees them that access.

Dialysis patients are an extremely vulnerable patient population, their lives depend on having stable and consistent access to quality treatments. They already face numerous hardships, such as lengthy and tiring treatments several times a week, many appointments with other specialists, and high out of pocket costs. Any disruption in the provider network they rely on or in their access to care, could be destabilizing and even life threatening for these patients. AB 290 is not good policy. I urge you to stand up for patients and oppose this legislation.

Respectfully,

A handwritten signature in black ink, appearing to read "Hrant Jamgochian". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hrant Jamgochian, J.D., LL.M
Chief Executive Officer
Dialysis Patient Citizens