

May 1, 2014

Louisiana House Insurance Committee
900 North Third Street
Baton Rouge, LA 70804

Re: Support for S.B. 403

Dear Chairman Cromer and Committee,

As America's largest patient-led organization representing over 27,000 members, Dialysis Patient Citizens (DPC) works to improve the quality of life of all dialysis patients through education and advocacy. Today we are writing on behalf of the over 6,000 dialysis patients in Louisiana to support S.B. 403, which allows third-party payments for premiums. BlueCross Blue Shield of Louisiana (BCBSLA) recently instituted a new policy of no longer accepting third-party payments for premiums. We believe this policy is detrimental to the interests of vulnerable patients.

Dialysis patients are permitted to keep group insurance plans for the first 30 months following kidney failure in accordance with Medicare Secondary Payer (MSP) provisions. Adding barriers to third party payments infringes on patients' right to take advantage of benefits associated with MSP provisions. Many new dialysis patients lose their livelihood due to burdensome treatment and recovery times, so their ability to afford insurance premiums is inhibited. Thankfully, financial assistance organizations like the American Kidney Fund (AKF) are able to help. However, BCBSLA's new policy will interfere with third party payers' ability to do so effectively.

Many patients prefer their private insurance plans because they often offer coverage more generous than Medicare's 80 percent. Supplemental coverage options for the remaining 20 percent not covered by Medicare are limited and expensive. By contrast, employer group health plans offer an average actuarial value of 88 percent, according to the Congressional Budget Office. For individuals with high medical expenses, this difference translates into significant reduction in out-of-pocket costs. In addition, patients may desire continuity of care from case managers who have assisted them as their chronic kidney disease progressed to end-stage renal disease (ESRD), whose services are not reimbursed in fee-for-service Medicare. Continuing third-party payments allows those who cannot afford their health insurance premiums to maintain their coverage, reducing the use of more costly acute care settings.

Thank you for your consideration of our views. If you have any questions, please contact our Director of Government Affairs, Jackson Williams, who can be reached at jwilliams@dialysispatients.org.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Hrant Jamgochian". The signature is written in a cursive style with a prominent initial "H" and a long, sweeping underline.

Hrant Jamgochian
Executive Director