



STAND WITH PATIENTS, NOT INSURANCE COMPANIES **OPPOSE AB 290**

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).

- There are 70,000 ESRD patients in California.
- DPC typically does not get involved in labor disputes, such as this one between SEIU and dialysis providers; however, we will when patients are caught in the middle.
- In October of 2018, Governor Brown vetoed SB 1156 (very similar legislation) because of concerns about unintended consequences it would have on patients.

Now, there is AB 290. We are concerned AB 290 will, like SB 1156, disrupt the provider network dialysis patients rely on and lower the quality of care they depend on. Specifically, we are concerned that:

- 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.
- 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.
- 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).

Alternatively, in order to keep these facilities open and operating, California will have to consider raising the rates MediCal pays dialysis providers – which is currently one of the lowest in the country, well below both Medicare and private insurance. This increase has been predicted to be anywhere from \$2 - \$12 million annually.

- If California truly wants to pass legislation which would serve in the best interests of patients, they should 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.

About Dialysis Patient Citizens (DPC): With more than 33,000 dialysis and pre-dialysis patients making up our membership, DPC is working to improve the quality of life for all dialysis patients through advocacy and education. We are a nationwide, non-profit, patient-led organization. Our policies and our mission are guided solely by our membership.