



September 19, 2011

Dear Joint Select Committee on Deficit Reduction:

On behalf of Kidney Care Partners, I am writing to congratulate you on your appointment to the Joint Select Committee on Deficit Reduction. Your appointment recognizes your key leadership role in the Congress and the esteem in which you are held by your colleagues. Your charge is a difficult one. The kidney care community strongly believes that well thought out deficit reduction is vastly preferable to automatic across-the-board sequestration cuts. It is incumbent upon all Americans to work towards a more cost efficient and intelligent health care system. Public health care dollars are precious and should be wisely and efficiently spent.

In our effort to do our part in the deficit reduction effort, we propose that individuals who develop kidney failure while having coverage through a Health Insurance Exchange plan be treated the same as those who have similar private coverage outside the Exchanges today. This parity would mean that individuals in the Exchanges would have the ability to maintain their private coverage for thirty months after their diagnoses with kidney failure (that diagnosis makes them eligible for Medicare). The current statute appears ambiguous at best on this point; the Agency implementing the Exchanges appears not likely to provide such parity. In addition, the subsidies available to provide assistance individuals in purchasing Exchange coverage should also be available to these individuals during that thirty-month window. Independent analysts that we have retained score this provision as raising several billion during the ten-year budget period.

We in the kidney care community urge you to avoid across-the-board cuts. MedPAC has consistently recognized the extremely narrow Medicare margins of dialysis facilities. Because of Medicare becomes available to individuals upon diagnosis with kidney failure rather than age, approximately 80 percent of all dialysis patients are Medicare beneficiaries. In addition, the initial stages of the substantial payment policy reforms and the first Medicare value-based purchasing program are underway. There are still serious implementation problems that must be worked out and at this point result in a substantial loss in Medicare funding beyond the cuts imposed by the Congress expressly. Adding an across-the-board cut on top of these reductions would likely create economic instability in the program.

Attached are two one-pagers, which elaborate on the points in this letter.

We wish you the best of luck in your difficult and challenging endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronald Kuerbitz", written in a cursive style.

Ronald Kuerbitz
Chairman
Kidney Care Partners