EDUCATIONAL BRIEFING AGENDA

The Medicare ESRD Benefit and How to Make it Better
December 4, 2007

Welcome/Introductions
Dr. Edward Jones
Practicing Kidney Specialist and Chairman of Kidney Care Partners

Snapshot of Kidney Care Today
John Davis
CEO of the National Kidney Foundation

Patients in the World of Chronic Kidney Disease
Duane Sunwold
Chairman of National Kidney Foundation Patient and Family Council

Reform from the Patient Perspective
Steve Wojcechowskyj
Florida Dialysis Patient

Patients and MSP
Kathe LeBeau
New York Dialysis Patient and Member of Renal Support Network

My Life and MSP
Sue Bailey
Wife of Virginia Dialysis Patient

Closing/Open Discussion
Dr. Edward Jones
Practicing Kidney Specialist and Chairman of Kidney Care Partners

Educational briefing sponsored by Kidney Care Partners and member organizations.
Special thanks to National Kidney Foundation and Renal Support Network.

KIDNEY CARE PARTNERS

IMPROVING CARE FOR PATIENTS WITH KIDNEY DISEASE

The House of Representatives passed an historic rewrite of the Medicare ESRD program. This is the first major restructuring of the program, and thus it is critical that we get it right. The Children's Health and Medicare Protection Act of 2007 (CHAMP Act) would create important new programs to raise awareness about the causes of kidney failure and educate patients about their disease and the treatments available to them. The legislation also takes critical steps to link payment to high quality care.

However, the CHAMP Act includes reforms that cut reimbursement from an historically under-funded program. In fact, MedPAC has documented that Medicare composite rate payments are insufficient to meet the costs of a dialysis patient's care. As is common in Medicare, the ESRD payment structure has relied on a cross-subsidization between drug payments and an economically unviable composite (care and service) component. However, while MedPAC recommends adjusting the composite rate for inflation each year, the composite rate has only been updated six times in its 25-year history.

We urge Congress to fully fund the care and service component. Reform must not compromise the quality of care or endanger patients by removing resources from an already overstretched system.

Kidney Care Partners urges Congress to enact legislation that:

- **Ensures continued quality by implementing an annual update mechanism.** The ESRD program is the only sector of Medicare that does not have an annual update mechanism to adjust payments for inflation. Each year, MedPAC recommends that Congress enact legislation to increase the composite rate for dialysis services but in many years, Congress fails to act. Congress needs to enact a self-implementing system similar to those of all other Medicare providers.

- **Applies savings generated by payment reform to program improvements.** Savings generated by implementing payment reforms should be directed to needed improvements in the ESRD program, such as uncapped quality payments.

- **Carefully designs parameters for payment reform.** Congress should provide sufficient guidance for a bundled payment system, but the Agency needs to retain implementation flexibility. In addition, we believe there are benefits to be achieved by testing payment reforms prior to implementation.

As Congress considers revisions to the ESRD program as part of a broader Medicare reform package, we must not lose sight of what is most important: patient safety and well-being. The principles of reform stated above are critical to provide for financial stability, promote high quality care, and ensure patient safety.

KIDNEY CARE PARTNERS

Guiding Principles for Changes to Payment for Dialysis Services Under the Medicare End Stage Renal Disease (ESRD) Program

Any changes to the payment methodology for dialysis services under the Medicare ESRD program should:

- Ensure that patients continue to have access to safe and high quality[1] care by:
  - Addressing the unique clinical needs of individual dialysis patients, including the different responses of ethnic and racial minorities to certain treatments.
  - Establishing a process that provides alignment of goals for providing both quality care and dialysis modality choice for patients.
  - Eliminating any potential for adverse patient selection or patient avoidance.
  - Including encouragement and rewards for physicians and providers to use data-driven clinical practices that are consistent with accepted guidelines.
  - Improving the quality of life and the functional status of dialysis patients.
  - Providing for the clinical and educational needs of patients.
- Include a continuous quality improvement initiative that rewards providers and physicians who attain certain quality benchmarks or demonstrate substantial improvements in quality over a period of time.
  - CMS and the National Quality Forum should work closely with the kidney care community to develop, implement, and refine a quality improvement initiative, as well as to adopt quality metrics for adult and pediatric patients.
  - Quality data should be collected and made available to allow for the evaluation of the quality of care, using measures developed in partnership with the kidney care community.

[1]High quality care includes adequate staffing and appropriate staff training, as well as patient outcomes as determined by agreed upon outcome and improvement goals established in partnership with the kidney care community.

- Include an annual inflationary adjustment that will account for increases in the cost of providing care to dialysis patients.

    - The Medicare ESRD program is the only prospective payment system within Medicare that does not include an update framework.

- Encourage innovation in the treatments and services provided, including removing obstacles to providing clinically beneficial services, new technologies, pharmaceuticals, and products to patients that may be currently available and proven efficacious, but are not within the existing composite rate services.

- Ensure that all dialysis modalities are appropriately and adequately funded.

- Establish correct treatment goals to avoid the over-utilization or under-utilization of items or services.

- Reflect the full cost of providing dialysis care and account for the cost of items or services not currently available and that are additive to the services covered by the composite rate.

    - The base payment rate and inflationary updates should be developed using the most current data available, including, but not limited to data from the Government Accountability Office (GAO) and the Office of the Inspector General (OIG), that accurately reflects the wide range of provider costs and accounts for outlier patients and high cost items.

    - The new base payment rate should be budget neutral upon implementation to the current system; yet importantly, the inflationary update should not be paid for by taking money out of the current system.

- Recognize the unique needs of pediatric patients.

- Assure viability for small, rural, inner-city, and pediatric providers.

- Preserve patients' ability to receive care from different providers or facilities, including when they travel.

- Be based on appropriate and objective data.

- Establish an adequate timeframe to implement any changes.

- The Medicare ESRD program is unique because it cannot spread risk over several payment categories. Therefore, any design flaws will be magnified and could result in serious access and quality issues if implemented improperly.

- Before adoption, CMS should work with the community to develop and test a case-mix adjustment methodology that appropriately reflects variation in utilization patterns based upon unique patient characteristics, as well as accounts for addressing the unique and costly needs of new patients during the first 90-120 days of their treatment.

❖ Establish an ESRD Advisory Committee that will work with the Secretary of HHS to ensure the appropriate design and implementation, including issues such as cost report reform and periodic review of the payment system.

I learned a new word today.

1 in 9 Americans (20 million) suffer from some form of chronic kidney disease that can lead to End Stage Renal Disease (ESRD)—or kidney failure. Diabetes, obesity and high blood pressure are all leading causes.

ESRD is a devastating and complex disease to manage. Without dialysis or a transplant, patients will not survive. There are approximately 341,000 Americans currently on dialysis—and the number is growing.

Congress is now at a crossroads in reforming how Medicare pays for ESRD treatments. We urge Congress to support The Kidney Care Quality and Education Act of 2007—H.R. 1193 and S. 691.

This legislation:

- Strengthens dialysis care through education, quality and prevention initiatives
- Reforms Medicare's payment for dialysis by adding an annual economic update as other Medicare providers receive to reflect the rising costs of providing care
- Extends Medicare Secondary Payer (MSP) from 30 to 42 months thereby ensuring patients have a choice to stay in their individual plan or move to Medicare

Kidney Care Partners (KCP)—a community-wide coalition of patient advocates, dialysis professionals, providers and manufacturers—is committed to working together to improve quality of care for individuals with Chronic Kidney Disease.

Support improving dialysis care in America, ensuring high quality care for vulnerable patients.

KIDNEY CARE PARTNERS

www.kidneycarepartners.org

Abbott • AMAG Pharmaceuticals • American Kidney Fund • American Nephrology Nurses' Association • American Regent, Inc. • American Renal Associates, Inc. • American Society of Nephrology • American Society of Pediatric Nephrology • Amgen • Baxter Healthcare Corporation • Board of Nephrology Examiners Nursing and Technicians • California Dialysis Council • Centers for Dialysis Care • DaVita • DaVita Patient Citizens • Diversified Specialty Institutes • Fresenius Medical Care North America • Fresenius Medical Care Products and Hospital Group • Genzyme • Kidney Care Council • National Association of Nephrology Technicians and Technologists • National Kidney Foundation • National Renal Administrators Association • National Renal Alliance, LLC • Northwest Kidney Centers • Renal Advantage, Inc. • Renal Physicians Association • Renal Support Network • Renal Ventures Management, LLC • Satellite Healthcare • U.S. Renal Care • Watson Pharma, Inc.

National Kidney Foundation™

November 26, 2007

An Open Letter to Congress

The National Kidney Foundation (NKF), and the 28,000 active members of its Patient and Family Council, urges Congress to enact legislation that will help us identify Americans with kidney disease before they experience kidney failure, lead them to better health through preparing for dialysis, and provide incentives for quality improvement in dialysis care.

Congress should pass the Kidney Care Quality and Education Act (S. 691/HR 1193), including its Medicare Secondary Payer (MSP) provision. This is NKF's number one legislative priority.

A 12-month extension of MSP will generate savings to the Medicare program which can then be used to educate people who have kidney disease and ensure their continued access to high quality care. The legislation would also link the need for an annual update mechanism for the Medicare ESRD composite rate with an improved quality system.

With new evidence of the increasing prevalence of chronic kidney disease in this country, affecting an estimated 26 million Americans, action by Congress is more urgent than ever. This is very important to us and to the patients we represent and serve.

We urge Congress to act now to make these important changes in the care our patients receive. It will improve outcomes and help us approach kidney disease as more informed, healthier and productive Americans.

John Davis, CEO
National Kidney Foundation

Duane Sunwold, Chairman
NKF Patient and Family Council

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Support Kidney Patients by Enacting the Kidney Care Quality and Education Act.

National Kidney Foundation
www.kidney.org

Congress holds the hope of over 20 million Americans in its hands!

The Kidney Care Quality and Education Act of 2007—H.R. 1193 and S. 691—contains provisions that are important to millions of people who have kidney disease and their families. One out of nine Americans suffer from kidney disease that could progress to kidney failure (known as End-Stage Renal Disease).

- **HOME DIALYSIS:** seeking to understand the barriers to patient choice of different treatment methods.
- **EDUCATION:** providing educational sessions for Medicare beneficiaries with Stage IV Chronic Kidney Disease (CKD).
- **AWARENESS:** creating public and patient education programs to increase awareness about kidney disease and help slow or prevent disease progression.
- **REIMBURSEMENT:** establishing a three-year initiative that would reward providers for quality improvement and patient outcomes.
- **TECHNICIANS:** establishing uniform training for patient-care dialysis technicians.

The Medicare Secondary Payer (MSP) Extension is necessary to give patients more options and help fund this legislation.

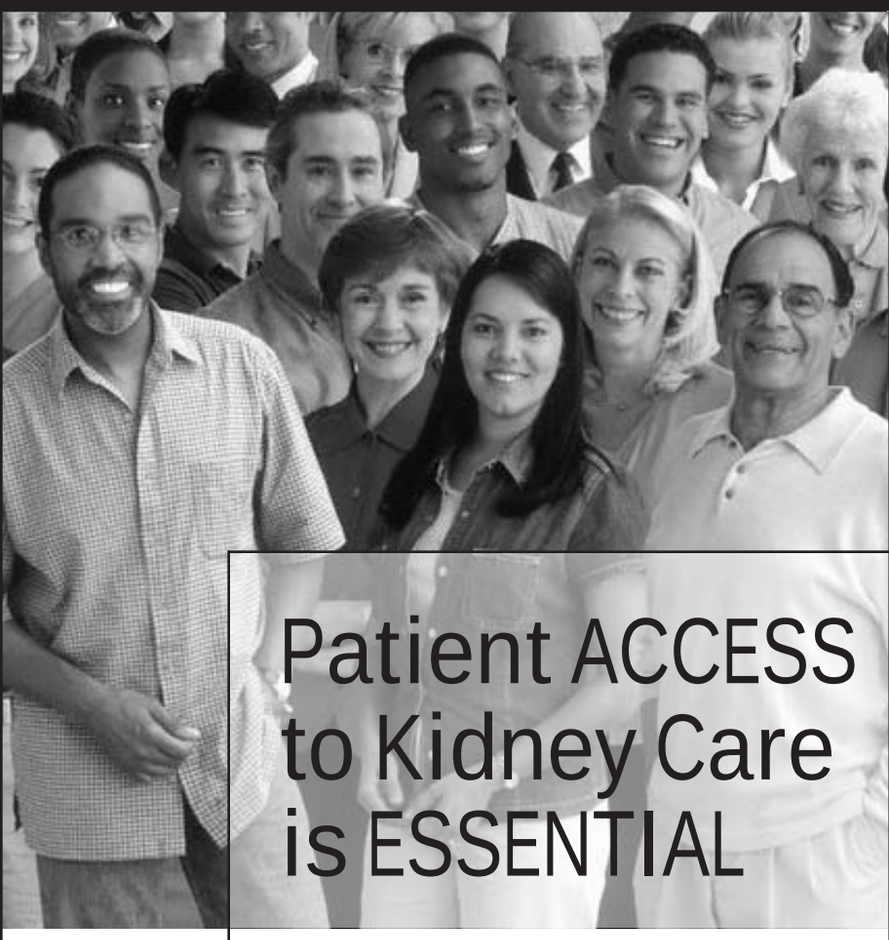
SUPPORT THIS LEGISLATION FOR THE BENEFIT OF PATIENTS AND THE KIDNEY COMMUNITY

An illness is too demanding when you don't have hope.

RSN Renal Support Network

The Renal Support Network, a nonprofit, patient-focused, patient-run organization, provides non-medical services to those affected by chronic kidney disease.
For more information visit www.RSNhope.org

COMMUNITY LEADERS AGREE...



Patient ACCESS to Kidney Care is ESSENTIAL

EDWARD O. DUBOSE
NAACP, Georgia State Conference

RICHARD FERREIRA
Harlem Congregations for Community Improvement (100 churches)

ANITA DE PALMA
Florida State LULAC

REV. CHRISTOPHER PIERSON
United Methodist Church - Northern Illinois Conference

MAGGIE RIVERA
LULAC of Illinois

ALICIA RIOS
LULAC Midwest Region (11 states)

MIRIAM MEJIA
Alianza Dominicana

MARGE GREEN
NAACP, Maryland State Conference

DR. TYRONE S. PITTS
Progressive National Baptist Convention

Today, over 20 million Americans suffer from some form of kidney disease—and more than 300,000 people nationwide suffer from kidney failure (otherwise known as End Stage Renal Disease) and need dialysis or a transplant to stay alive.

And the number is growing.

Unfortunately, the minority community is at the greatest risk. We are experiencing a dramatic increase of kidney failure as a result of chronic conditions such as hypertension and diabetes. In fact, more than half of all patients on dialysis are African Americans and Hispanics.

Congress is now at a crossroads in reforming how Medicare pays for ESRD treatments. We urge Congress to support The Kidney Care Quality and Education Act of 2007—H.R. 1193 and S.691.

This legislation—

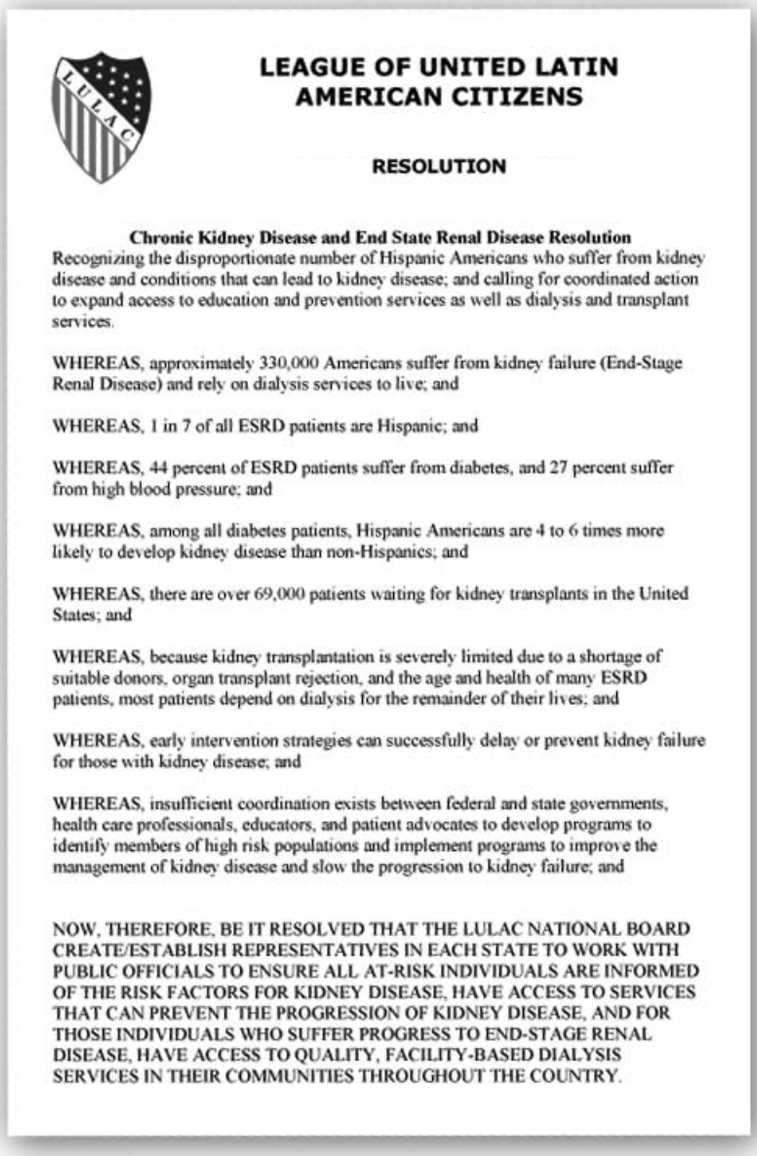
- Strengthens dialysis care through education, quality and prevention initiatives.
- Makes Medicare more equal by providing an annual update for dialysis, as other Medicare providers receive, to reflect the rising costs of providing care.
- Gives patients and their families the choice to stay with their private health plan longer if that's what's best for them.

DaVita KEY Connections "Learning for Life" WITH ALONZO MOURNING

Help all Americans who have or will be diagnosed with kidney disease. Support quality kidney care and education.

Life comes from quality kidney care.
For more information, visit www.KeyConnections.com or call 1-888-MyKidney (695-4363)

LULAC: FIGHTING KIDNEY DISEASE IS A NATIONAL PRIORITY



LEAGUE OF UNITED LATIN AMERICAN CITIZENS

RESOLUTION

Chronic Kidney Disease and End State Renal Disease Resolution

Recognizing the disproportionate number of Hispanic Americans who suffer from kidney disease and conditions that can lead to kidney disease; and calling for coordinated action to expand access to education and prevention services as well as dialysis and transplant services.

WHEREAS, approximately 330,000 Americans suffer from kidney failure (End-Stage Renal Disease) and rely on dialysis services to live; and

WHEREAS, 1 in 7 of all ESRD patients are Hispanic; and

WHEREAS, 44 percent of ESRD patients suffer from diabetes, and 27 percent suffer from high blood pressure; and

WHEREAS, among all diabetes patients, Hispanic Americans are 4 to 6 times more likely to develop kidney disease than non-Hispanics; and

WHEREAS, there are over 69,000 patients waiting for kidney transplants in the United States; and

WHEREAS, because kidney transplantation is severely limited due to a shortage of suitable donors, organ transplant rejection, and the age and health of many ESRD patients, most patients depend on dialysis for the remainder of their lives; and

WHEREAS, early intervention strategies can successfully delay or prevent kidney failure for those with kidney disease; and

WHEREAS, insufficient coordination exists between federal and state governments, health care professionals, educators, and patient advocates to develop programs to identify members of high risk populations and implement programs to improve the management of kidney disease and slow the progression to kidney failure; and

NOW, THEREFORE, BE IT RESOLVED THAT THE LULAC NATIONAL BOARD CREATE/ESTABLISH REPRESENTATIVES IN EACH STATE TO WORK WITH PUBLIC OFFICIALS TO ENSURE ALL AT-RISK INDIVIDUALS ARE INFORMED OF THE RISK FACTORS FOR KIDNEY DISEASE, HAVE ACCESS TO SERVICES THAT CAN PREVENT THE PROGRESSION OF KIDNEY DISEASE, AND FOR THOSE INDIVIDUALS WHO SUFFER PROGRESS TO END-STAGE RENAL DISEASE, HAVE ACCESS TO QUALITY, FACILITY-BASED DIALYSIS SERVICES IN THEIR COMMUNITIES THROUGHOUT THE COUNTRY.

1 IN 7 KIDNEY FAILURE PATIENTS IS A LATIN AMERICAN. HELP US PUT AN END TO KIDNEY DISEASE.

The League of United Latin American Citizens (LULAC)—the nation's oldest and largest Hispanic organization—has made it a national priority to ensure education and prevention initiatives as well as dialysis and transplant services for the Latin American population. LULAC, along with DaVita KEY Connections—a nationwide program to help Americans stay healthy through patient education and kidney disease awareness—are working together to guarantee the best quality of care for America's kidney patients.

LEAGUE OF UNITED LATIN AMERICAN CITIZENS LULAC 1929

DaVita KEY CONNECTIONS "Learning for Life" WITH ALONZO MOURNING

LIFE COMES FROM QUALITY KIDNEY CARE.

For more information, visit www.lulac.org and www.KeyConnections.com or call 1-888-MyKidney (695-4363)

KIDNEY CARE PARTNERS

IMPROVING QUALITY CARE THROUGH THE EXTENSION OF MSP

End Stage Renal Disease is unique in the Medicare Program in that the disease itself is the basis for entitlement, regardless of age or disability. For individuals entitled to Medicare based on ESRD alone who have coverage through employer-sponsored plans, Medicare steps in after 30 months for most patients. Section 703 of the House-passed Children's Health and Medicare Protection Act of 2007 would extend the Medicare Secondary Payer (MSP) period to 42 months beginning January 1, 2008. The provision would require **only** large group health plans – those with more than 100 enrollees – to remain the primary payer for dialysis services for an additional 12 months.

- While universal coverage for ESRD services is critical to ensure this vulnerable patient population retains access to life-saving care, it is unique to Medicare. The ESRD program is the **only area of Medicare that allows private insurers to limit coverage** for a chronic condition. Some frame an extension of MSP as cost-shifting from the government to private payers, when in fact, the opposite is true. Current policy shifts the cost of care for privately-insured dialysis patients to Medicare after 30 months. When MSP was first enacted in 1981, it was designed to resolve the problem of health plans limiting coverage by instituting policies "intended to prevent payment of benefits where the insured is also entitled to benefits as a result of coverage under… Medicare." Forty-two months strikes the right balance between private sector and government responsibility.

- Under the current policy, dialysis patients may terminate their employer coverage and enroll in Medicare at any point after the third month of dialysis, but after 30 months, their employer coverage automatically becomes their secondary payer. Private health plans are often more comprehensive than Medicare, and dialysis patients should be **afforded the option to remain in employer-sponsored insurance** if they so chose.

- Extending Medicare's secondary-payer status for ESRD patients is **sound policy** as there is a positive impact on patient care when insurers are incentivized to keep their members healthy. An additional year of responsibility for members with chronic kidney disease would encourage health plans to adopt protocols that more aggressively manage the health of those members, addressing co-morbidities, encouraging early placement of fistulas which make dialysis safer and more efficient, and other measures known to decrease hospitalization.

- If MSP were extended as proposed, **most employers would not cover dialysis patients for the full 42-month period**. Experience has shown that 75 percent of patients who began dialysis with employer coverage are no longer in those plans by the end of the 30-month period due to a variety of reasons. Experts estimate that fewer than 10,000 of the nearly 350,000 patients with ESRD would remain on their employer-sponsored plans from month 31 to month 42 if MSP were extended – and those individuals would be spread across hundreds of health plans.

- Extending MSP would have a **negligible impact on health insurance costs** to employers. According to the most recent census data, approximately 200 million people are covered by private health insurance in the US, nearly two-thirds of which is provided by large employers. A12-month extension of MSP would result in less than a 0.01-percent increase in the total number of Americans enrolled in large group health plans.

- In a tight fiscal environment, **a modest extension of MSP raises necessary revenues for critical reforms** within the program. The extension of MSP is designed to generate modest savings in Medicare to offset the cost of implementing key improvements to the program, such as coverage of educational sessions for pre- ESRD beneficiaries and quality payments.

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ESTIMATING THE COST TO EMPLOYERS OF EXTENDING THE MSP PROVISION

FACT: The incidence rate for end stage renal disease (ESRD) is ***350.7 per million population***.[1]

FACT: An estimated 8,100 ESRD patients with private coverage are likely to reach the extension period.[2] This represents ***less than six one hundredth of one percent (0.006 percent)*** of the total large employer-based privately insured population.[3]

FACT: Total national spending on health care rose to ***$1.67 trillion*** according to a recent report by DHHS. The share of health spending attributable to ESRD MSP patients represents a small fraction of the total spending.

ESTIMATING THE COSTS TO A SINGLE EMPLOYER

Estimating the cost – to a single employer – of extending private coverage from 30 to 42 months for ESRD patients depends upon a number of variables. The actual cost depends upon the age, health status, and the likelihood that the employee will continue working. The cost depends upon such factors as:

- The age of the insured person – this will determine when the individual becomes Medicare eligible
- The age of their overall insured population, as the incidence of ESRD is positively correlated with age – if new workers are somewhat younger than the current workforce, future costs will be lower
- The overall health condition of the ESRD patient, particularly if they are still employed; (i.e., if they are still working, they are likely to be healthier than those no longer working)
- The potential for more costly treatments (e.g., hospitalization)
- Whether the employee terminates voluntarily their employment (due to health or other reasons)
- Loss of coverage through spousal plan (spouse terminates employment, or loses coverage, etc.)

The employer may know their overall health care spending, but their ***ESRD spending*** is very difficult to predict. However, in most cases, the 12 month extension will not represent a material burden to the employer plan.

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[1] See the 2007 USRDS, Table A.2.

[2] However, for a variety of reasons the number of patients will decrease during months 31 through 42. Such reasons for the decreasing number of patients overtime include the patient: expired, received a transplant, discontinue dialysis, or regained renal function.

[3] According to the most recent Census Department data, approximately 177.2 million people receive private health insurance coverage through an employer plan. Based on participation data from the National Compensation Survey, 2006, from the US Bureau of Labor Statistics, estimates indicate that approximately 127.5 million receive such coverage through employers with 100 or more employees. See US Census Bureau, Current Population Survey, 2007 Annual Social and Economic Supplement, Table HI05, at [http://pubdb3.census.gov/macro/032007/health/h05_000.htm].

FOR IMMEDIATE RELEASE **Contact: Jenn Lawson 703/548-0019**

Kidney Care Community Voices Strong Support for Kidney Patients' Right to Choose

House of Representatives' Extension of Medicare Secondary Payer (MSP) for Kidney Dialysis Patients Praised for Providing Clinical, Economic and Family Benefits for Patients

WASHINGTON, D.C. (October 22, 2007)— In response to the House-passed Children's Health and Medicare Protection (CHAMP) Act of 2007 provision to extend Medicare Secondary Payer (MSP) in the End Stage Renal Disease (ESRD) program for patients who rely on dialysis care, Kidney Care Partners (KCP)— an alliance of patient advocates, dialysis professionals, care providers and manufacturers working together to improve quality of care for individuals with kidney disease and kidney failure —strongly endorses extending patients' right to remain with their commercial coverage for an additional 12 months – a total of 42 months. KCP believes that the additional 12 months strikes the correct balance between the current law of 30 months and proposed extensions of up to 60 months.

Under the current Medicare MSP provision, Medicare takes over as primary coverage after 30 months. The CHAMP act would extend the MSP provision an additional 12 months for patients within large health plans – those plans defined as having more than 100 employees. This extension would benefit approximately 10,000 out of the more than 400,000 Medicare ESRD patients and would have a negligible impact on large employer premiums.

"Despite what some large corporations are saying, this extension impacts a modest number of patients spread across a much larger population and would be a huge benefit to patients and the Medicare benefit," said Dr. Edward Jones, a practicing nephrologist and Chairman of KCP. "A 12 month extension of the MSP provision gives some patients with private insurance a choice in their healthcare coverage. Further, KCP believes that extending this provision by 12 months will encourage large health plans to focus more heavily on disease prevention, address co-morbidities and encourage use of fistulas in the future. And since quality patient care is our community's number one priority, Kidney Care Partners strongly supports the House-passed MSP extension."

Patients with kidney failure are the only patient group in America that is forced to leave their private insurance and go onto Medicare.

"We want to stay in our private plan for as long as possible because Medicare premiums cost much more, and patients with families could end up paying double premiums and higher co-pays —which we cannot afford," said Sue Bailey, wife of a kidney dialysis patient in Bluemont, VA. "We feel that we should not be discriminated against. It is only fair that we continue to at least have the choice of staying with our plan for a bit longer. "

"Families like mine are grateful that Congress has finally understood how difficult it is for some patients to move from their private plans to the complicated Medicare program," added Bailey. "An extension of this program means the world for my family who needs the additional coverage and lower co-pays."

KCP believes that an MSP extension must be part of Medicare ESRD program reforms and the savings generated by this extension can help support those reforms. KCP also believes that this extension will have a minor impact on cost to large employers while having a major impact on the lives of approximately 10,000 patients.

"KCP salutes the House of Representatives for including this important provision in the CHAMP Act which is widely regarded across the kidney care community as good for patients, good for the Medicare program," concluded Dr. Jones. "KCP calls on the United States Senate to adopt the House provision."

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KCP Coalition Members:

Abbott Laboratories, AMAG Pharmaceuticals, American Kidney Fund, American Nephrology Nurses' Association, American Regent, Inc., American Renal Associates, Inc., American Society of Nephrology, American Society of Pediatric Nephrology, Amgen, Baxter Healthcare Corporation, Board of Nephrology Examiners Nursing and Technicians, California Dialysis Council, Centers for Dialysis Care, DaVita, Inc., DaVita Patient Citizens, Diversified Specialty Institutes, Fresenius Medical Care North America, Fresenius Medical Care Products and Hospital Group, Genzyme, Kidney Care Council, National Association of Nephrology Technicians and Technologists, National Kidney Foundation, National Renal Administrators Association, National Renal Alliance, LLC, Northwest Kidney Centers, Renal Advantage, Inc., Renal Physician's Association, Renal Support Network, Renal Ventures Management, LLC, Roche Laboratories, Satellite Health Care, U.S. Renal Care, Watson Pharma, Inc.

IMMEDIATE RELEASE **CONTACT: Jenn Lawson, 703-548-0019**

Kidney Patient Organizations, Kidney Community Come Out in Support of Medicare Secondary Payer (MSP) Extension

Patient organizations support extending MSP and using savings for improving Medicare program; National Kidney Foundation, Renal Support Network, American Kidney Fund and DaVita Patient Citizens submit letters to Capitol Hill in favor of ESRD provisions

Washington, D.C. (November 13, 2007)—Kidney Care Partners – a coalition of patient advocates, dialysis professionals, care providers and manufacturers working together to improve quality of care for individuals with chronic kidney disease – and many of its individual member organizations continue to voice their support in the debate over the Medicare Secondary Payer (MSP) provisions to extend the period for end stage renal disease (ESRD) from 30 to 42 months.

"The 12 month extension will generate savings to the Medicare program which can then be used to educate people who have kidney disease and ensure their continued access to high quality care," said Dr. Edward Jones, Chairman of Kidney Care Partners and a practicing nephrologist. "Four leading kidney patient advocacy organizations – members of KCP— endorse the MSP extension as being in the best interest of patients, the Medicare program, taxpayers and the renal community. The MSP extension assures access and quality of life sustaining care required by kidney patients."

Kidney failure is the only disease condition where private insurers can deny coverage. Even if patients want to remain in their private health insurance plan, they are required after 30 months of coverage to go onto Medicare. This may mean that some patients and their families are confronted with higher out-of-pocket costs and less comprehensive health coverage.

While improving quality of care and access for kidney failure patients, the MSP extension would have a negligible cost impact for private employers. The proposal would affect fewer than 10,000 patients nationwide.

In a letter to the Senate Finance Committee, KCP expressed a number of reasons to grant the extension, including: 1) the positive impact on patient care when private payers are incentivized to keep beneficiaries healthy; 2) that having an added year of responsibility for CKD patients would encourage private payers to develop protocols that address patient wellness, prevent hospitalizations and make dialysis safer and more efficient; 3) and that dialysis patients should be afforded the same rights as other patients in choosing how their care is financed.

The Renal Support Network, a patient organization of thousands of people with kidney disease, issued a letter to Senator Debbie Stabenow and the entire Senate Finance committee:

> RSN supports the MSP Extension, citing its potential positive benefits to patients. These include extending patient choice and accessing the best quality of care possible, selecting the most comprehensive coverage and having the lowest out-of-pocket costs. It can also allow patients to maintain dependent family coverage and offer some patients access to disease management services that may improve outcomes and reduce overall costs.

In a letter sent to the Senate Finance Committee, the National Kidney Foundation (NKF) writes:

> H.R. 3162, the Children's Health and Medicare Protection Act (CHAMP), as passed by the House, contained enhanced benefits for kidney patients. NKF understands the need for an offset in the current Pay-Go environment. Therefore, we reiterate NKF's longstanding decision to support extension of Medicare Secondary Payer, to 42 months, as proposed by the House, provided that the savings are dedicated to improvements to the Medicare ESRD program.

The American Kidney Fund writes in a letter to the Senate Finance Committee:

> We understand the difficult budgetary challenges you and your colleagues face and recognize that new spending must be offset by cuts in other areas. We support an additional 12 month extension of Medicare secondary payer (MSP) as a means to generate savings to help offset the costs of other improvements for patients in the ESRD program.

An excerpt of a letter from DaVita Patient Citizens, the largest dialysis patient organization with over 20,000 members – pre-dialysis and dialysis patients as well as their family members – reads:

> Besides restricting patients' right to choose to keep their private insurance coverage longer, not extending the MSP period will prevent many of the needed reforms within the ESRD program. One of the most important steps is to provide those individuals at risk of kidney failure with education about the factors associated with kidney disease in the hopes of preventing them from reaching kidney failure. Consistently our members state that they were not aware of the risk factors that cause much of kidney disease—diabetes and hypertension. Prior knowledge could have reduced their risk of kidney failure and possibly dialysis, and the savings that MSP extension would achieve will help fund much-needed education and prevention programs.

"Our community voices strong support for reform in the ESRD program, which includes reforming the current MSP provision," said Jones. "Early identification, prevention and

disease management are good for Medicare, taxpayers and patients who depend on quality kidney care."

Kidney Care Partners and its members are dedicated to working together to improve the quality of care for individuals with Chronic Kidney Disease (CKD). For more information, please go to www.kidneycarepartners.com.

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