

May 31, 2017

The Honorable Jason Smith (R-MO) U.S. House of Representatives 1118 Longworth House Office Building Washington, DC 20515

The Honorable Earl Blumenauer (D-OR) U.S. House of Representatives 1111 Longworth House Office Building Washington, DC 20515

RE: Dialysis Patient Demonstration Act of 2016, H.R. 5942 & Negative Impact on Kidney Transplant Patients

Dear Representatives Smith and Blumenauer:

On behalf of the American Society of Transplantation (AST), representing a majority of medical professionals engaged in the field of solid organ transplantation, we applaud your leadership and continuous efforts to improve the nation's healthcare delivery system. Over the years, your collective efforts within the U.S. Congress have reflected a positive patient-centered approach to reform. AST shares your commitment to patients and achieving the best possible quality outcomes through cost effective, efficient, and appropriate care. We have again carefully reviewed your legislation from the 114th Congress, H.R. 5942, the Dialysis Patient Demonstration Act of 2016. If the legislation is re-introduced in the 115th Congress as currently drafted, we remain strongly concerned for kidney patients and their access to transplantation.

Although the transplant community understands the concept and goals of the Dialysis Patient Demonstration Act of 2016, the legislation as currently drafted would unquestionably threaten patient access to life-saving transplantation. As drafted, your bill would direct nearly all End Stage Renal Disease (ESRD) patients into capitated payment arrangements and establish financial incentives for continued dialysis instead of transplantation, the clear treatment of choice for the majority of ESRD patients.

Upon careful and thoughtful review of the Dialysis Patient Demonstration Act of 2016, the AST remains concerned with the proposal's capitated payment system that ceases for any ESRD patient who has been successfully transplanted. Our Society believes that such a policy would establish significant financial disincentives for referral of relatively healthy Medicare patients for transplant evaluation and further discourage living donation. Additionally, the legislation's capitated payments include the cost of transplant, but specifically exclude transplant patient care from coverage.

Organ transplantation is cost effective care for ESRD patients and the Medicare program. Moreover, transplantation is associated with improved survival, quality of life, and

healthcare cost savings. Patients receiving transplants have longer life expectancies and improved quality of life. From a kidney patient transplant perspective, the Dialysis Patient Demonstration Act of 2016 would <u>deter and prevent patient access to transplantation</u>, exacerbate existing challenges in referral for transplant, further perpetuate existing geographic disparities, and discourage living donation.

Given our concerns and commitment to preserving appropriate patient access to quality transplant care, the AST cannot support the Dialysis Patient Demonstration Act of 2016 (as written and introduced in the 114th Congress). We are hopeful that you and your staff will work with the kidney transplantation community to improve the legislation.

Sincerely,

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Ronald G. Gill, PhD President

CC: The Honorable Dean Heller (R-NV) U.S. Senate 324 Hart Senate Office Building Washington, DC 20510

> The Honorable Bill Nelson (D-FL) U.S. Senate 716 Hart Senate Office Building Washington, DC 20510

The Honorable Todd Young (R-IN) U.S. Senate 400 Russell Senate Office Building Washington, DC 20510