



**FRESENIUS  
MEDICAL CARE**

March 25, 2019

Chair Monnes Anderson and Senate Health Committee Members,

My name is Jon Eames, and I am testifying today representing Fresenius Medical Care. Fresenius operates approximately 40 kidney dialysis clinics in Oregon, caring for over 2,700 patients with kidney failure, also known as End Stage Renal Disease (ESRD).

Dialysis providers have special obligations toward their patients, both legal and clinical. In accordance with the Centers for Medicare & Medicaid Services (CMS) Conditions for Coverage under which they operate, they are required to educate patients on their health insurance options, so that patients may make their own informed choices among the health coverage options available to them. They do not steer patients toward specific plans but provide education so patients can make their own informed choices based on their specific needs. The guiding principle is to act in the best interest of the patients they serve.

When dialysis patients indicate they may have difficulty financing health insurance or other basic needs, then and only then, are providers allowed to tell them about the American Kidney Fund (AKF) Health Insurance Premium Program (HIPP). Dialysis providers are not allowed to publicly advertise the AKF program to dialysis patients. The AKF HIPP has been operating since 1997 under an advisory opinion of the federal Office of Inspector General (OIG). The program operates the same today as it did when it began over 20 years ago. Dialysis providers are legally allowed to donate to the program. These donations do not go to a specific patient. The OIG opinion declared that donations by dialysis providers would not cause a conflict of interest and would, in fact, serve to expand insurance choices for dialysis patients. Each provider that contributes to the HIPP program signs a Code of Conduct because of the strict federal guidelines of the OIG opinion.

When a patient who is struggling financially applies to this program, it is up to the AKF to determine whether patients meet eligibility for the program. AKF also does not steer patients toward specific plans. Patients come to the AKF for assistance after they have already chosen an insurance plan. Over half of the approximately 1,000 dialysis and transplant recipients the HIPP program serves in Oregon use the assistance to pay for Medicare or Medigap premiums. Undocumented immigrants also use the premium assistance to cover off-exchange insurance, which is the only source of insurance coverage for them in Oregon.

The AKF, in their letter regarding this bill, said that if this legislation passes, they would be forced to end the HIPP program in Oregon because the new requirements in Oregon would put them out of compliance with the federal requirements they operate under. I would refer you to the letter the AKF submitted in opposition to this bill to see the specific parts of the bill they believe puts their program in jeopardy. If AKF discontinues the HIPP program, it could put all the patients who rely on charitable premium assistance at risk of losing their health insurance which they vitally need, not just for their dialysis but for all their other health conditions as well.

If dialysis patients lose their health insurance, they will be forced to apply for Medicaid. And some may not qualify and could become completely uninsured. This would create a serious access to care crisis. Over 90% of dialysis patients already rely on Medicare or Medicaid as their primary insurance. Medicare and Medicaid do



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not cover the cost of treatments. Dialysis providers already have clinics in Oregon that do not make a profit. They are able to subsidize these clinics with others that do make a profit in order to keep their doors open. If a substantial number of patients end up on Medicaid or lose insurance altogether, it will make it difficult to keep the current network of clinics available or expand to open new clinics in the future for this growing population of patients. Dialysis providers are not required to accept patients without insurance. If providers can not accommodate patients without insurance, those patients will end up in hospitals as their only access to treatment.

Several years ago, Oregon explored the issue of charitable premium assistance. Oregon's Department of Consumer and Business Services Insurance Division released a bulletin in November, 2014 outlining specific criteria for insurers to accept charitable premium assistance and summarized as follows: "Oregon law does not prohibit issuers from accepting premium assistance from non-employer third parties including those from well-established premium assistance programs operated by bona fide tax-exempt, non-profit charitable organizations in accordance with applicable law." We believe the AKF HIPP program fits this criteria.

Thank you for allowing me to be here today to talk about this important program and how we interact with our patients around their insurance needs. For the reasons I've identified today, I urgently ask you to vote no on SB 900.