

August 20, 2018

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
Democratic Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Chairman  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Leader McConnell, Minority Leader Schumer, Chairman Hatch, and Ranking Member Wyden:

On behalf of the undersigned employer groups, unions, health plans, and insurers, we urge you to oppose efforts to shift additional costs for End Stage Renal Disease (ESRD) from Medicare to private health plans as a means to “pay for” future legislation.

The House of Representatives passed H.R. 6, the “SUPPORT for Patients and Communities Act,” in June to address the opioid epidemic with an offset that would require private health plans to pay for an additional three months of ESRD services beyond the existing 30-month period after which Medicare becomes the primary payer. While we strongly support congressional efforts to address the opioid epidemic, we are very concerned about offsets that would reduce the ability of private health plans to provide comprehensive, affordable health care coverage.

As an offset, extending the period before which Medicare becomes the primary payer is bad policy. Shifting more of the cost of ESRD services would further burden private health plans at a time when they are already facing challenges in maintaining affordable coverage. Though the Congressional Budget Office (CBO) believes this ESRD payment shift will reduce Medicare spending by \$340 million, the increased costs placed on private health plans will be hundreds of millions of dollars higher because these plans pay two to three times more than Medicare for ESRD treatment. Human Resources consulting firm Mercer’s best estimate is that private health plans will be on the hook for approximately \$48,000 per patient for the additional three months of ESRD coverage at a time when the number of people with ESRD has grown on average 7% annually.

Confronted with higher costs for three additional months of ESRD treatment, private health plans would be forced to absorb the costs, raise premiums, or reduce coverage. These options are bad outcomes for workers and retirees.

Thank you for your attention to this important matter.

Sincerely,

America’s Health Insurance Plans  
American Benefits Council  
American Federation of State, County and Municipal Employees  
Blue Cross Blue Shield Association  
International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW)  
Service Employees International Union  
The ERISA Industry Committee  
United States Chamber of Commerce  
United Steelworkers