

July 28, 2016

The Honorable Todd Young (R-IN)
U.S. House of Representatives
1007 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

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

RE: ESRD Integrated Care Act - H.R. 5506 & S. 3090 Negative Impact on Kidney Transplant Patients

Dear Senators Heller and Nelson & Representatives Young 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. Unfortunately, our review of your recently introduced legislation, H.R. 5506 & S. 3090, has resulted in significant concern from the AST regarding access to transplantation for kidney patients. Although the transplant community understands the concept and goals of your proposal, H.R. 5506 & S. 3090 would unquestionably threaten patient access to life-saving transplantation. As introduced, your legislation 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, the AST has strong reservations regarding a capitated payment system that ceases for any ESRD patient who has been successfully

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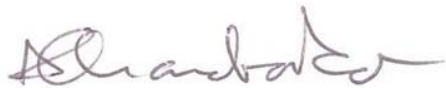
transplanted. Our Society believes that such a policy establishes significant financial disincentives for referral of relatively healthy Medicare patients for transplant evaluation and further discourages living donation. Additionally, your proposal's capitated payments include the cost of transplant, but specifically exclude transplant patient care from coverage.

As indicated in the bill sponsors' press release, an estimated 65,000 Americans receive dialysis to survive, typically requiring four-hour treatments at least three times a week. The release further reports that ESRD patients represent a small portion of the Medicare population, but account for over \$30 billion in overall costs- a disproportionately large 6.3% of total Medicare spending. The United States Renal Data System (USRDS) 2015 Annual Data Report indicates that the cost of maintaining a person on dialysis is *nearly three times as expensive*, per year, than maintaining a healthy kidney transplant. Organ transplantation is cost effective care for both ESRD patients and the Medicare program. Moreover, transplantation is associated with improved survival, quality of life, and healthcare cost savings.

From a kidney patient transplant perspective, H.R. 5506 & S. 3090 would **deter and prevent patient access to transplantation, 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 "*Patient Access to Integrated-Care, Empowerment, Nephrologists, and Treatment) Demonstration Act*" as currently introduced. We are hopeful that you and your staff will work with the kidney transplantation community to improve the legislation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Anil Chandraker". The signature is fluid and cursive, with a large initial "A" and "C".

Anil Chandraker, MD
President