## DPC Remarks for CMS Town Hall on ESRD Bundled Payment System

Hello, my name is Chad Lennox, and I am the Executive Director of Dialysis Patient Citizens. Today, I will be speaking on behalf of our Board President, Myron Zayon.. First, I would like to thank the Centers for Medicare and Medicaid Services for holding this meeting and for providing patients, patient groups and others the opportunity to talk about how the proposed bundled payment system will impact dialysis patient care.

DPC is a non-profit patient-led dialysis patient organization with more than 23,000 dialysis and pre-dialysis patients making up our membership. DPC works to improve the quality of life for all dialysis patients through education and advocacy. For the last month, DPC has been speaking with and listening to our membership about their questions and concerns with the proposed ESRD bundle. I am here today as a voice for many of our nation's dialysis patients who could not be here, but who may be affected by this new payment structure. We hope their concerns will be addressed in the final rule.

### PART D DRUGS

DPC has always advocated that decisions about patient care must be made jointly by patients and their physicians. We are concerned the bundling of Medicare Part D oral medications, without adequate funding, could limit physicians' ability to prescribe the medications that produce the best outcomes for patients.

Our primary concern is CMS has not appropriately accounted for the actual costs of oral drugs in the proposed rule. A bundle that does not properly reimburse for medications may result in only the cheapest treatment options being available or physicians feeling pressured to prescribe cheaper medications that may not provide optimum outcomes for patients. For example, when our board president, Myron, first started dialysis, his binder did not work for him. Luckily for him, his doctor had the freedom to prescribe a different binder that has worked better. Under the bundle, as presently structured and funded, he may lose the choice to keep his current binder and have to switch to another binder that may be less effective. This is due to the fact that only $14 per treatment is included to cover oral Drugs. According to the proposed rule, this appears to be true even though he has private insurance as his secondary payer. Currently, his private insurance pays appropriately for his oral medications. When Medicare begins paying for these drugs as part of the bundle, will Myron and other patients lose their private coverage for dialysis related oral drugs therefore, losing their choice in the treatment they receive?

Our members are also concerned there will be no incentive for the development of newer medications because of the need to keep drug prices low. Will the next great drug for dialysis patients be developed, or will it not be feasible under the current bundled rate?

Another concern many patients have is “How will I get my medications if they will no longer be provided by my usual pharmacist?” If patients have to get their dialysis medications from a different location than where they receive their other meds, it will become more difficult for a pharmacist to check for potentially dangerous drug interactions. Additionally, some patients may have to drive to multiple locations to receive all of their medications. This poses a difficult challenge for many patients who already find transportation to and from dialysis logistically difficult or financially draining.

One question most asked from patients about the bundle is, “How will the shift of dialysis drugs from Medicare Part D to Medicare Part B impact my out of pocket costs?”

Some patients receive secondary insurance coverage under Medicaid or Medigap plans. Will these plans be willing to pay for these drugs as “renal dialysis services?” Or will this be a burden to the patient? Other patients may qualify for low-income subsidies that assist in paying for most, if not all, of their Part D medications. For patients with subsidies, moving drugs from Part D, where they are essentially paid for, to the bundle, where they are subjected to 20% co-insurance, may increase the patients’ out of pocket costs.

If oral drugs with no IV equivalent are to continue to be in the bundle, we request that CMS fully fund the actual costs of the medications and implement measures to reduce potential harm to patients before issuing the final rule. CMS should also track changes

in patients' outcomes that may result from the bundle—including those related to the oral medications.

I would like to briefly address additional questions and concerns of dialysis patients. We will cover these issues and others in depth in our formal comment letter.

## LABS

Including lab tests in the bundle poses a similar financial concern that including oral drugs does. Like all other Medicare beneficiaries, dialysis patients currently have no responsibility to pay for their lab tests—Medicare pays them at 100%. Including them in the bundle would subject patients or their co-insurance to paying for 20% of the associated costs.

## ANEMIA MANAGEMENT

In regards to anemia management, much discussion has focused on the dangers of patients who receive Epogen and have a hemoglobin exceeding 12 g/dl. However, I want to encourage you to ***strongly*** consider the dangers and the decrease in quality of life for patients whose anemia is managed too low. We believe the CMS quality program guidelines should allow for the maximum amount of physician flexibility in prescribing EPO to reduce potential harm to patients' health and quality of life.

## CLOSING

In closing, I would like to thank CMS for incorporating a per-treatment reimbursement and allowing for additional treatments for patients with medical justification. These important measures, which allows patients greater flexibility in where and when they dialyze–including home therapies—will make a positive impact for many patients. We are thankful for this support on the matter of increased access to care.
We do hope that the final rule will better reflect CMS's support of home dialysis by modifying the reimbursement for home training so it appropriately pays for the upfront costs.

Again I thank you for the time you have allotted me to speak on behalf of DPC and our members. We look forward to providing additional written comments in the coming month.

Thank you.