

August 29, 2022

The Honorable Charles E. Schumer Majority Leader United States Senate 322 Hart Senate Office Building Washington, DC 20510

The Honorable Mitch McConnell Minority Leader United States Senate 317 Russell Senate Office Building Washington, DC 20510

Dear Leaders Schumer and McConnell:

We write to share our strong concerns regarding S. 4750, the Restore Protections for Dialysis Patients Act of 2022. Employers are committed to our obligations under the Medicare Secondary Payer Act for end-stage renal disease (ESRD) patients. Employer plan sponsors broadly strive to establish in-network arrangements with a variety of medical, mental health, and other providers to provide robust health benefit programs to employees and families. We believe the proposed bill would create a coverage mandate with overly vague parity requirements that would create confusion, spur wasteful spending and disputes, reduce quality, and increase costs to employees and plans.

We are greatly concerned that this bill has not yet been heard in committee. Committee review and debate is needed to consider a diversity of stakeholder views and tailor the focus of any proposals to avoid inequities and unintended consequences. We strongly urge that this bill not be debated by the full Senate or offered as an amendment to another bill without the necessary committee review.

Employer plan sponsors must be free to continue to innovate and seek lower cost, higher-quality dialysis care without an external mandate. In general, mandates around particular coverages and medical conditions skew the market, stifle innovation, impact quality, and increase coverage costs for employees, including patients. This bill also includes a sweeping and vague parity metric tied to "other chronic medical conditions that are covered by the plan." This is far too broad of a comparator to be a constructive direction upon which a cohesive plan of benefits can be established. Plans cover many different types of chronic conditions, each with its own established and evolving needs for treatment. It is unworkable and wasteful to direct plans to attempt to provide dialysis coverage that is in parity, i.e., the same, in every way with every other type of benefit provided for every other type of chronic medical condition covered by the plan.

In order to ensure employees and families have comprehensive coverage for a variety of medical and health needs, health plan benefits (including for chronic medical conditions) generally align to the medical practice standards associated with each condition or medical need. There is no single, universally appropriate treatment and medical practice standard for all chronic conditions

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and thus no universal benefit plan coverage that can be designed without wasteful excess resulting in significantly higher costs to patients, plans, employees and families. We believe this bill would be counterproductive to the goal of providing robust, cost-effective coverage for high-quality medical care for all the health and medical needs facing working Americans and their families.

Employers have and will continue to support their employees and families with strong health plan benefits. With fair dealing and market innovation – such as reference-based pricing, value-based payment arrangements, in-home dialysis options, or relationships with dialysis specialty companies – stakeholders should be encouraged to engage with employer plan sponsors to provide the right care at the right price.

We believe, under this view, that stakeholders can and should work together with a focus on appropriate standards of care for ESRD and dialysis (not all chronic conditions) to craft arrangements that work for each plan and the unique needs of its covered populations (not one-size-fits-all mandates) to provide vital treatments that do not increase costs and decrease quality for working families and patients.

Again, thank you for your attention to our concerns on this important issue. If you or your staff would like to meet to discuss this legislation, please have your staff contact P4ESC's Executive Director Neil Trautwein at neil@trautweinstrategies.com.

Sincerely,

Partnership for Employer-Sponsored Coverage

cc: Members, United States Senate