



**FRESENIUS
MEDICAL CARE**

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April 3, 2018

Senator David Wilson, Chairman
Senate Health & Social Services Committee
State Capital Building
Juneau, Alaska

Subject: HB123, relating to disclosure of health care costs

Dear Senator Wilson:

Thank you for this opportunity to offer comments on House Bill 123, which relates to the disclosure of health care costs.

Fresenius Medical Care operates 9 outpatient dialysis facilities in Alaska, serving approximately 300 dialysis patients with hemodialysis and home dialysis training in Anchorage, Fairbanks, Juneau, Soldotna, and Wasilla.

While we fully understand and appreciate HB123's goal of providing health care price information for consumers, there are some circumstances related to dialysis services that warrant your consideration.

Of our 300 Alaska dialysis patients, only 11% have commercial coverage as their primary insurance. All others are Medicare, Medicaid, or VA primary. At any given time, a good portion of our commercial patients are in the process of waiting to become Medicare eligible. Most patients under age 65 move to Medicare after 90 days of starting dialysis because that's when they are eligible for Medicare due to End Stage Renal Disease, unless they have an Employer Group Health Plan. An EGHP is primary for 30 months and then Medicare becomes primary after that (Medicare Secondary Payer Rule).

Unless there's some reason that prohibits someone from qualifying for Medicare (i.e., not enough work quarters) or Medicaid, commercial insurers have a relatively short amount of time to pay for dialysis. Costs may, therefore, appear high if there is no opportunity to explain that commercial insurers will only temporarily pay primary. Once coverage switches to secondary, thereafter over the long term patients pay the 20% Medicare doesn't cover.



Posting price information for dialysis services provides little, if any, useful or relevant information to the patient. Further, posting price information to a web site prohibits an opportunity for dialogue or explanation of the likelihood that almost all dialysis patients will eventually convert to secondary coverage within a relatively short period of time.

Given that such a relatively small percentage of dialysis patients have commercial payer coverage, we believe the best outcome would be to be exempted from the bill.

To the extent we will be required to disclose price information, we are concerned about posting to a web site that offers minimal opportunity for dialogue with the patient. We would ask for consideration for removal from internet requirements in order to allow for interaction and communication with the patient in order that they can understand and consider the likely payment methodology before making decisions about their treatment.

Thank you for considering this request.

Sincerely

A handwritten signature in black ink that reads "Wendy Funk Schrag".

Wendy Funk Schrag, LMSW, ACSW
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