



Madam Chair and Committee Members,

My name is Wendy Schrag and I work for Fresenius Medical Care. Fresenius provides life-sustaining dialysis services to approximately 325 Alaskans with kidney failure in 11 outpatient dialysis clinics. These clinics serve patients in Anchorage, Fairbanks, Juneau, Soldotna and Wasilla. Our patients come to our clinics three times a week for incenter hemodialysis or are trained to do home dialysis at our three locations that do home therapy training. Because of the ongoing, chronic nature of dialysis treatments, we have to plan our clinics carefully. Our patients' lives depend on it.

Fresenius supports the certificate of need program. **CON encourages a stable market focused on quality of care:** CON laws have established a system with stability for nephrology practices, reputable dialysis providers, and investments in clinics/equipment. Dialysis providers are able to focus on quality instead of competing with the other provider. Without CON, competition can result in over-building which ultimately hurts the providers.

CON helps stabilize an already stressed dialysis provider system: The majority of funding for dialysis treatments comes from government sources (approximately 85 – 90% from Medicare, Medicaid). That funding does not cover the costs of treatment expenses. Dialysis providers must survive on volume and careful planning. CON helps provide stability to an already economically stressed system through balancing the current population of patients and anticipated growth needs with the appropriate number of clinics that can survive and thrive.

Finally, and perhaps most importantly, CON supports access to care in outlying areas: CON equalizes competition for the larger markets and the rural markets. Because dialysis providers often subsidize rural clinics with larger metropolitan clinics, rural clinics, especially ours in Soldotna and Juneau, could potentially close or not be opened in the first place without CON. Dialysis providers need to know they will be able to survive in areas of lower patient population. CON provides the security of knowing that if a dialysis clinic opens in a rural location, it will have the patient base it needs to survive and thrive. For example, we currently only have 19 dialysis patients in Juneau. That's a pretty low number, but we know that Juneau needs a dialysis clinic because of its isolation and difficulty for patients to get dialysis at another location. With CON, we at least know that we will maintain the patient base we have. We already had to close our home dialysis training program in Juneau due to low patient numbers. So, without CON, providers may be reluctant to go in the more rural areas. This can result in access to care issues for patients. Transportation costs will increase as patients have to travel further for their dialysis treatments.

For these reasons, we support CON and ask you to vote no on SB 26.

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