



October 13, 2011

Honorable Patty Murray
U.S. Senate
Washington, DC 20510

Honorable Max Baucus
U.S. Senate
Washington, DC 20510

Honorable John Kerry
U.S. Senate
Washington, DC 20510

Honorable John Kyl
U.S. Senate
Washington, DC 20510

Honorable Rob Portman
U.S. Senate
Washington, DC 20510

Honorable Patrick Toomey
U.S. Senate
Washington, DC 20510

Honorable Jeb Hensarling
U.S. House of Representatives
Washington, DC 20515

Honorable Dave Camp
U.S. House of Representatives
Washington, DC 20515

Honorable Fred Upton
U.S. House of Representatives
Washington, DC 20515

Honorable James Clyburn
U.S. House of Representatives
Washington, DC 20515

Honorable Chris Van Hollen
U.S. House of Representatives
Washington, DC 20515

Honorable Xavier Becerra
U.S. House of Representatives
Washington, DC 20515

Dear Co-Chairs and Members:

On behalf of the American Society of Nephrology (ASN), the American Society of Pediatric Nephrology (ASPN), and the Renal Physicians Association (RPA), thank you for serving on the Joint Select Committee on Deficit Reduction. Our organizations join the US population in respecting your efforts to reduce the federal debt in a socially and fiscally responsible manner. Recognizing the challenges you face developing a debt reduction package, ASN, ASPN, and RPA offer our shared expertise in issues related to kidney disease as a resource to you. More than 20 million Americans suffer from kidney disease, making it one of the most significant health issues in the United States.

Together, our organizations represent more than 14,000 physicians, scientists, and other health professionals dedicated to providing the highest quality kidney care, conducting cutting-edge medical research, and educating the next generation of health professionals. ASN, ASPN, and RPA believe our proposals are not only appropriate for patients with kidney disease, but would also benefit the US economy and protect jobs.

As you continue your deliberations throughout the fall, ASN, ASPN, and RPA urge you to consider the following proposals. Moreover, we stand ready to help you in any way possible.

Recommendation 1: Extend Lifetime Immunosuppressive Drug Coverage for Kidney Transplant Recipients

Extending lifetime immunosuppressive drug coverage to kidney transplant recipients would prevent organ rejection, save lives, and save taxpayer dollars. Medicare provides coverage for dialysis or kidney transplants to all patients with end-stage renal disease. While Medicare pays for most kidney transplants, it only provides 36 months of immunosuppressive drug coverage for patients who do not qualify for Medicare due to age or disability.

Patients who cannot afford immunosuppressive drugs lose the transplanted kidney and then require dialysis—covered by Medicare—to stay alive. Immunosuppressive drugs cost Medicare \$19,000 per year per patient; dialysis costs Medicare more than \$77,000 per year per patient. Providing lifetime immunosuppressive drug coverage is a common-sense change that would protect Medicare's investment in kidney transplants, keeping the organs viable for a lifetime and preventing patients' return to dialysis.

The "Comprehensive Immunosuppressive Drug Coverage for Kidney Transplant Patients Act of 2011" is a bipartisan bill currently before Congress that would extend lifetime coverage. As you contemplate approaches to reining in spending, ***ASN, ASPN, and RPA urge you to consider extending lifetime immunosuppressive drug coverage to kidney transplant recipients, saving lives, and protecting Medicare's investment in kidney transplants.***

Recommendation 2: Preserve federal funding for medical research activities

The research activities funded through the National Institutes of Health, Agency for Healthcare Research and Quality, the Veterans' Administration, the Centers for Disease Control and Prevention (CDC), and other agencies are critical to the health of the US population and economy. According to a 2010 study, investment in NIH led to the creation of 487,900 new jobs and produced more than \$68 billion in new economic activity.¹ Research generates essential advances in treatment, as well as economic activity that helps to maintain and create new jobs.

Kidney disease remains a major cause of illness and death among both children and adults. According to the CDC, more than 10 percent of the US population, or 20 million people ages 20 years and older in the United States, have chronic kidney disease, with more than 500,000 Americans in end-stage renal disease (ESRD) for which the only treatments are dialysis or kidney transplantation. While more than 17,000 kidney transplants were performed in the United States in 2008, more than 88,000 individuals suffering from ESRD died that same year. An estimated 150,000 children and adolescents currently suffer from kidney diseases for which a cure or treatment does not exist; about 10,000 of them suffer from chronic kidney failure, are on dialysis, or have a kidney transplant.

Translational and clinical research addressing the mechanisms involved in kidney injury and disease progression are crucial to develop and test new therapies in children and adults. Multicenter, collaborative studies offer the single best opportunity to systematically gain new knowledge about children being treated for kidney disease, and to use this knowledge to improve care and reduce future healthcare costs. Indeed, since the origins of adult kidney disease can be traced to problems such as high blood pressure, diabetes, and obesity that begin during childhood, better understanding the causes, prevention, and treatment of medical conditions that develop in children will undoubtedly reduce the prevalence and costs of kidney disease in adults.

Medical research transforms health care. Prevention of chronic kidney disease, moving from curative medicine towards a preemptive model that prevents or significantly delays the onset of disease, likely would have the most dramatic impact in reducing Medicare costs, as that program covers dialysis and kidney transplant treatment for ESRD regardless of age. Investment by the federal government in medical research is essential and without it, peoples' lives and potentially hundreds of thousands of jobs are at risk. As you contemplate spending cuts, ***ASN, ASPN, and RPA urge you to preserve federal funding for medical research activities.***

Recommendation 3: Sustain GME Funding

ASN, ASPN, and RPA are particularly concerned that Medicare support for graduate medical education (GME) be protected. GME cuts would inevitably compromise access to necessary care for Medicare beneficiaries and other patients. Physicians-in-training in GME-supported programs provide a larger share of medical care to the Medicare population than all providers in non-GME supported programs. Reducing support for GME would jeopardize thousands of jobs and put local economies at risk. According to the economic consulting firm Tripp Umbach, GME cuts at the nation's largest teaching hospitals alone would trigger the elimination of over 70,000 jobs and the loss of \$10 billion to the U.S. economy.² America's medical schools and teaching hospitals directly employ approximately two million people.² Cutting funds that support training will lead to job loss, from nursing to custodial staff. Any decreases in GME payments would have a ripple effect on communities near teaching hospitals.

Medicare's support for its share of GME costs has been effectively frozen since 1997, contributing to the current shortage of physicians. Further decreasing support for GME—and especially cuts in programs to train internal medicine specialists (such as nephrologists)—would exacerbate the currently-projected shortage of 90,000 physicians by 2020. The United States already faces workforce concerns in nephrology, and the number of people with kidney disease who need access to care is expanding rapidly.³

Importantly, children's hospitals, which train many of our best pediatricians and pediatric physician-scientists, do not have a sufficient proportion of Medicare patients to qualify for Medicare-based GME. Already burdened financially by their commitment to care for sick children who are disproportionately medically indigent, children's hospitals must allocate valuable resources to train new pediatricians. Continuation of GME funding for children's hospitals is critical. ***ASN, ASPN, and RPA urge you to protect patient access to care and maintain healthcare sector jobs by preserving GME funding for physician training.***

Recommendation 4: Protect the Vulnerable Dialysis Patient Population

Patients with End Stage Renal Disease (ESRD) are among the most vulnerable of all Medicare patient populations. It is important to account for the needs of these patients by maintaining funding for ESRD care at current levels. The Medicare ESRD program was recently transitioned to a bundled payment system; the transition included an across-the-board payment reduction. Subjecting the program to further cuts would jeopardize patient access to readily available, high quality dialysis care.

We urge you to consider applying the Medicare Secondary Payer (MSP) provision to the recently enacted health exchanges. This proposal not only will maintain current funding levels for ESRD care, but will also potentially achieve billions of dollars of savings for the Medicare program. ***ASN, ASPN, and RPA urge you to protect ESRD care by keeping dialysis reimbursements whole, and instead consider innovative solutions such as application of the MSP provisions to health exchanges.***

Recommendation 5: Repeal the Sustainable Growth Rate

We strongly urge you to include full repeal of the Medicare sustainable growth rate (SGR) formula in the final legislative package. The cost of the yearly "fixes" to the Medicare payment methodology that postpone full SGR repeal has increased from less than \$50 billion in 2005 to nearly \$300 billion today. The American Medical Association estimates that this figure will double within five years. Two bipartisan initiatives—the Senate "Gang of Six" and the Commission on Fiscal Responsibility and Reform—recommended elimination of the SGR. Full SGR repeal at this juncture is the most appropriate and fiscally responsible course of action in the effort to preserve Medicare beneficiary access to care.

The Medicare ESRD program is the primary insurer for ESRD patients, insuring 75 percent or more of patients in many nephrology practices. Nephrologists are the only specialists trained and experienced to meet the careful monitoring, constant evaluation and complex treatment needs of this highly vulnerable patient population. As such, kidney patients and nephrology practitioners are particularly hard hit by Medicare payment reductions, raising concerns regarding kidney patient access to care in general, and regarding health disparities specifically, as ESRD disproportionately affects minority populations. **ASN, ASPN, and RPA urge you in the strongest terms possible to include full SGR repeal in the final legislation.**

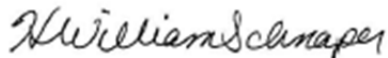
In conclusion, ASN, ASPN, and RPA believe that the Joint Select Committee on Deficit Reduction can protect jobs and help stabilize the economy while maintaining this country's position as the global leader in science, medical research, and innovative, high-quality medical care, which includes protecting the needs of patients with kidney disease.

Again, thank you for serving on the committee and for considering these five recommendations. ASN, ASPN, and RPA stand ready to discuss any of the recommendations if it would be helpful as you deliberate. To continue this important discussion, please contact ASN Policy and Government Affairs Manager Rachel N. Shaffer at (202) 640-4659 or rshaffer@asn-online.org, ASPN's Washington representative Katie Schubert at (202) 484-1100 or kschubert@dc-crd.com, or RPA Director of Public Policy Rob Blaser at (301) 468-3515 or rblaser@renalmd.org.

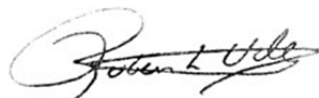
Sincerely,



Joseph V. Bonventre, MD, PhD, FASN
ASN President



H. William Schnaper, MD
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Ruben L. Velez, MD
RPA President

¹ <http://thehill.com/images/stories/blogs/healthwatch/nihfunding.pdf>

² AAMC. September 19, 2011. Cuts to Doctor Training Will Hurt the Nation's Health, Economy. Washington, DC.

³ CJASN June 2011 6): (6) 1501-1506