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Reject AB 290: Bill Eliminates Financial Assistance for more than 3,700 Low-Income California Dialysis Patients

Bill increases insurance company profits while harming dialysis patients and jeopardizing access to care.

AB 290 attacks vulnerable, low-income dialysis patients by eliminating charitable premium assistance (CPA) in California.

- In 2018, more than 3,700 Californians on dialysis (about 5% of all dialysis patients) received financial assistance from the American Kidney Fund (AKF), an independent, non-profit charitable organization which helps pay health insurance premiums for dialysis patients enrolled in Medicare Part B, Medigap, Medicare Advantage, employer group health, COBRA and commercial health insurance plans. These patients are largely minority (68% Latino, African-American and Asian) and low-income (average income less than $30,000/yr).

AKF warns: ***"If AB 290 is passed, it will quickly force AKF to stop helping low-income Californians living with kidney failure."***

- AB 290 requires AKF and other charities to disclose confidential patient information to insurance companies in violation of federal regulations governing charitable premium assistance. **AKF states that these provisions would violate the program's federal regulations and force it to stop helping California patients.**
- **AB 290 discriminates against low-income dialysis patients.** The only patients affected by AB 290 are low-income dialysis patients who need charitable premium assistance to help pay their insurance premiums.

AB 290 jeopardizes access to care for ALL dialysis patients who need treatment three days a week, four hours at a time, to survive.

- When AKF is forced to discontinue premium assistance in California, thousands of dialysis patients will lose their private insurance coverage and be forced onto government programs (Medicare/Medi-Cal). This likely will result in a significant increase in what patients have to pay for their own care, since Medicare only covers 80% of treatment costs. And as collateral damage, many other California patients will lose assistance with their Medicare and Medigap premiums.
- AB 290 also jeopardizes the financial viability of dialysis clinics. Shifting even a few patients from private insurance to government programs, or slashing what private insurers pay for the care of commercial patients, upsets the delicate dialysis ecosystem. Throughout health care, reimbursements from private insurance help subsidize the losses from government payors – whose payments do not cover the cost of care. With dialysis, this necessary cross-subsidization is even more acute. 90% of dialysis patients rely on government coverage and only 10% of patients have private insurance.

- As funding for dialysis clinics is dramatically reduced, California patients will experience long-term access to care issues (fewer clinics built, fewer treatment times available). This, at a time when demand for dialysis is growing at a rate of 5% per year statewide and California must build an additional 350 clinics over the next 10 years to meet demand.
- If California can't meet future demand for dialysis treatment facilities, patients will end up dialyzing in hospital emergency rooms at a much higher cost. This will raise health care and taxpayer costs for all Californians.

AB 290 slashes what private insurers pay for the care of dialysis patients – below the actual cost of care.

- In the unlikely event that charities are somehow able to continue providing premium assistance to low-income patients, AB 290 adds another provision to pad insurance company profits.
- AB 290 allows insurance companies to slash reimbursements to Medicare rates for patients who receive charitable premium assistance. According to a January 2019 report by the payment advisory committee for the federal government (MedPAC), Medicare reimbursement levels are 1.1% below the actual cost of providing dialysis care.

AB 290 does nothing to lower overall health care costs.

- The bill does not contain any language requiring insurers to pass any savings on to consumers. AB 290, sponsored by insurance companies, increases insurance company profits.

AB 290 sets a dangerous precedent that threatens charitable assistance for patients with other life-threatening diseases.

- Many charitable premium assistance programs serving patients coping with other financially-crippling, catastrophic diseases—like cancer, rare blood disorders, multiple sclerosis and rheumatoid arthritis—operate under the same guidelines as the American Kidney Fund (OIG 97-1).
- Provisions in AB 290 that prevent AKF from operating in California could potentially jeopardize these other non-profits as well. Patients who rely on those programs will be left with nowhere to turn.

AB 290 is opposed by doctors, caregivers, patients, business and taxpayer groups and dialysis providers.

- This dangerous bill will jeopardize patient access to life-saving dialysis care.

Reject insurance company profiteering.
Protect patient access to life-saving dialysis care.

No on AB 290