

October 22, 2007

Senator Max Baucus  
Chairman  
Senate Finance Committee  
Washington, DC 20510

Dear Senator Baucus:

As the Senate Finance Committee considers Medicare legislation, **we urge you to oppose extension of the Medicare Secondary Payer (MSP) period for end-stage renal disease (ESRD)**. As insurers and patient groups, as employers and labor unions, we take the health of kidney patients very seriously. We believe that the health of kidney patients is best served by receiving the comprehensive spectrum of services now required under Medicare.

Since passage of the ESRD Program in 1972, comprehensive coverage and cost provisions have been specifically designed for the special needs of end-stage patients as they grapple with this debilitating disease and its intensive treatment and management. The federal government, in its efforts to provide a cost-effective method of treatment, has developed quality assurance measurements and structured a cost-conscious reimbursement system.

We are all too aware of the harsh reality of end stage renal disease. ESRD patients have an annual mortality rate of 23% and a life expectancy of only 5 years. Delaying Medicare for 42 months would mean that most patients would never see the benefits of Medicare as primary payer.

Like many in the health care debate, we, too, are concerned about rising health care costs. That is why we have supported other ESRD proposals that would reduce Medicare costs while still protecting kidney patients, such as common sense bundling for Medicare reimbursement of all ESRD services.

But extending MSP to 42 months would actually increase the nation's health care costs because payers other than Medicare now pay 2 to 3 times as much for dialysis services as Medicare does. This would mean higher premiums and higher co-pays with no increase in health services.

At a time when policymakers, employers, labor, and patient groups are actively seeking ways to ensure quality, expand access, cover the uninsured and reduce the rising costs of health care, extending MSP would be a step in the wrong direction.

We respectfully urge you to oppose extension of Medicare Secondary Payer for ESRD.

**American Association of Kidney Patients  
Services Employees International Union  
Aetna**

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