

Statement of National Kidney Foundation
In support of H.R. 5534, “Comprehensive Immunosuppressive Drug Coverage
for Kidney Transplant Patients Act”

Submitted to the Committee on Energy and Commerce
U.S. House of Representatives

January 8, 2020

The National Kidney Foundation (NKF) is America’s largest and oldest health organization dedicated to the awareness, prevention and treatment of kidney disease for the estimated 37 million adults with chronic kidney disease (CKD) and for tens of millions of people at risk of CKD. As an organization that has successfully advocated to improve coverage of immunosuppressive drugs for transplant recipients, NKF applauds the Committee for today’s hearing on H.R. 5534, which eliminates Medicare’s 36-month post-transplant limit on coverage of immunosuppressive drugs for non-aged, non-disabled kidney recipients. We would especially like to recognize Representatives Burgess and Kind for introducing this legislation, and for their historic leadership on this important issue.

Since 1973, the Medicare program has provided comprehensive coverage for individuals with End Stage Renal Disease (ESRD) who require dialysis, irrespective of their age or disability. While dialysis can be a lifeline for many of these patients, it is also a physically, emotionally and socially limiting treatment option. Kidney transplant is considered the treatment of choice for many patients with ESRD, as they typically enjoy higher quality of life and life expectancy than patients on dialysis.

Organ transplant recipients require life-long immunosuppressive therapy to preserve and maintain their transplant. Unfortunately, for younger, non-disabled patients, the Medicare program only covers immunosuppressive drugs for 36 months following a transplant, after which patients must secure alternative insurance coverage or pay for their drugs out-of-pocket.

Depending on a patient’s insurance coverage, a maintenance immunosuppressive regimen represents different levels of cost burden. While the May 2019 Health and Human Services Issue Brief, *Assessing the Costs and Benefits of Extending Coverage of Immunosuppressive Drugs Under Medicare*, used an estimated per-patient-per-year cost of \$3,379 and the average Medicare payment per transplant patient per year is \$2,340, other reports have estimated costs as high as \$2,500 per month, with the average annual expenditure between \$10,000 and \$14,000.^{1,2,3}

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https://aspe.hhs.gov/system/files/pdf/261746/Savings_From_Extending_Coverage_For_Immunosuppressive_Drugs_Final.pdf

This coverage gap has devastating consequences for patients, their families, kidney donors, and for the Medicare program itself. Patients who lack affordable coverage when their Medicare ends must sometimes ration or skip their medications altogether, which inevitably causes the transplanted kidney to fail. As a result, the patient returns to dialysis or requires another transplant, creating significant and preventable expenses for the Medicare program while lengthening the transplant waitlist. Even more troubling, many patients – especially low-income patients -- opt not to pursue or are precluded from pursuing a transplant at all because of their inability to pay for the medications after the 36-month waiting period.

H.R. 5534 addresses this by providing lifelong coverage of immunosuppressive drugs. This legislation – which has been introduced several times in recent Congresses – enjoys strong bipartisan support, but progress has been stymied due to uncertainty about cost. Fortunately, two analyses by the Department of Health and Human Services in May 2019 estimated that providing lifetime Medicare coverage of immunosuppressive drugs would result in a **net savings** to the federal government of up to \$300 million over 10 years.

These cost savings are generated by the total cost of Medicare spending on a dialysis patient compared to a kidney transplant recipient. According to the U.S. Renal Data System 2018 Annual Report, Medicare spends almost \$90,000 annually on a dialysis patient, compared to \$35,000 per year for a kidney transplant recipient after the first year of transplant.⁴ Medicare spends only \$2,340 per transplant patient on immunosuppressive drugs that are critical to reducing the likelihood of organ rejection, demonstrating the cost effectiveness of the policy.⁵

Many kidney recipients have immunosuppressive coverage through group health plans, under the Affordable Care Act, through Medicaid or the Department of Veterans Affairs, or through other means when their Medicare eligibility expires. However, a considerable number are unable to obtain or afford coverage after 36 months and H.R. 5534 provides a safety net. Under the bill, Medicare would continue only for immunosuppressive medications; all other Medicare coverage would end 36 months after the transplant. The bill also requires group health plans to continue to pay for immunosuppressive drugs if they presently include such a benefit in their coverage, to prevent insurers from passing this obligation to Medicare. This bill will help improve long term transplant outcomes and enable more kidney patients who lack adequate drug coverage to consider

² *United States Renal Data System. 2018 USRDS annual data report: Epidemiology of kidney disease in the United States. National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 2018.*

³ James, A., & Mannon, R. B. (2015). The Cost of Transplant Immunosuppressant Therapy: Is This Sustainable?. *Current transplantation reports*, 2(2), 113–121. doi:10.1007/s40472-015-0052-y

⁴ *United States Renal Data System. 2018 USRDS annual data report: Epidemiology of kidney disease in the United States. National Institutes of Health, National Institute of Diabetes and Digestive and Kidney Diseases, Bethesda, MD, 2018.*

⁵ *Ibid.*

transplantation. It is the right thing to do for kidney patients, for living donors, organ donor families, and for the American taxpayer.

In legislation spearheaded by this committee and NKF in 2000, Congress addressed immunosuppressive coverage in the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) when it eliminated a similar time limit of immunosuppressive coverage for aged and disabled beneficiaries. It is time for Congress to close that coverage gap for all patients by enacting H.R. 5534.

Once again, NKF applauds the Committee for its attention to this important matter, and looks forward to working with Congressman Burgess, Congressman Kind, and other bill supporters on its swift passage.