



The Kidney Care Community: Committed to High Quality Care Delivery

Overview

The kidney care community serves a highly vulnerable, largely Medicare and dually eligible patient population. Public program reimbursement overall is declining just as the Medicare ESRD program transitions into a new prospective payment system. The community opposes additional cuts that could compromise access to this life-saving treatment.

Who Are We?

- Kidney Care Partners (KCP) was founded in May of 2003 as a coalition of patient advocates, dialysis professionals, care providers and manufacturers to work together to improve quality of care for individuals with Chronic Kidney Disease (CKD).
- KCP's mission is to ensure that:
 - Chronic kidney disease patients receive optimal care
 - Chronic kidney disease patients are able to live meaningfully
 - Dialysis care is readily accessible to all those in need
 - Research and development leads to enhanced therapies and innovative products.

Who Has End Stage Renal Disease?



399,000

Dialysis patients



80%+

Medicare/ Medicaid
dependent



55%

Minority population



17,736

U.S. kidney transplants (2009)

Unique Bundled Payment

Nowhere in the Medicare program are so many services bundled together for such a small payment



Medicare Margins are Declining



Margins
On
Decline

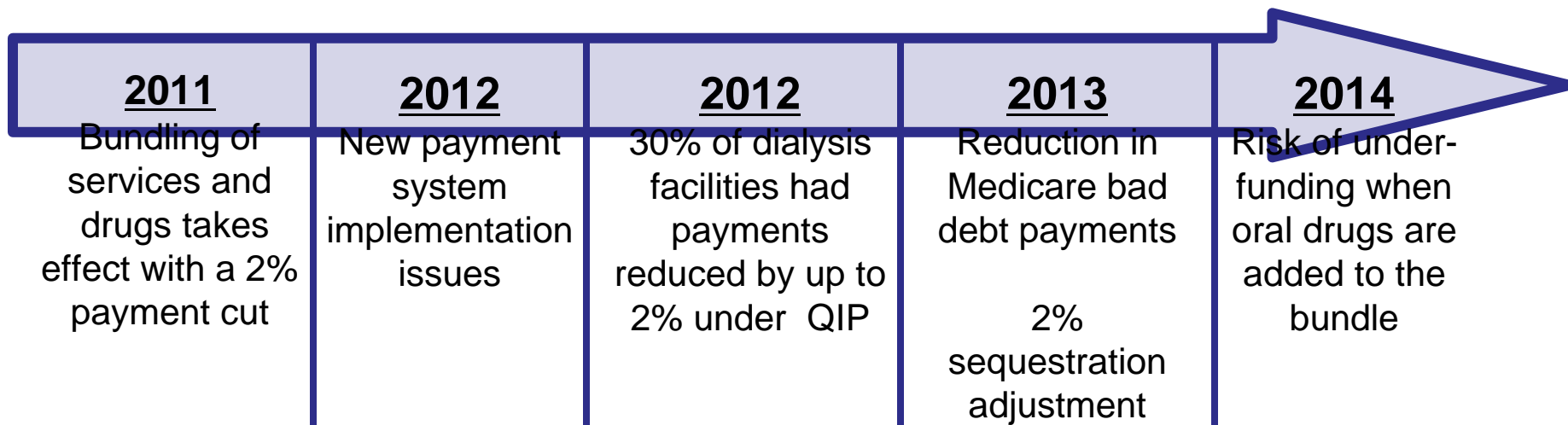
2.3%*

- **MedPAC finds dialysis margins are among the lowest in Medicare.**
- **Low margins and large Medicare populations eliminate the ability to spread costs among different payers.**

*Assuming full collection of the 20% coinsurance.

The Pressures on the Medicare ESRD Program Have Been Growing

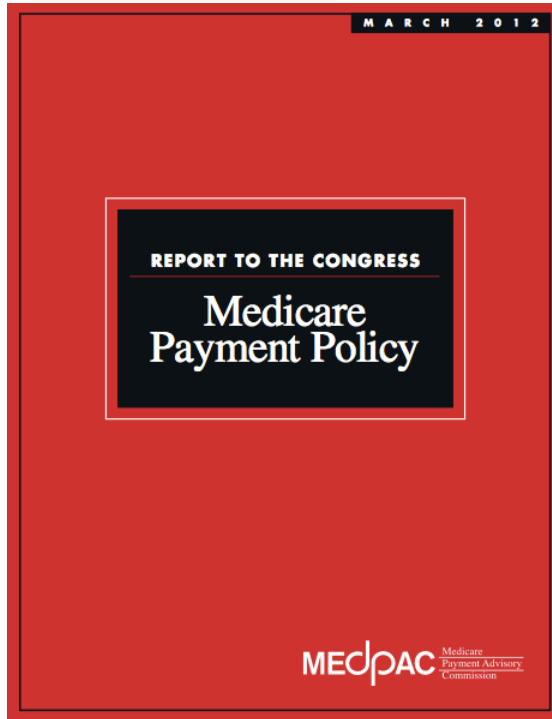
Medicare payment policy is undergoing consistent change and reductions in years ahead



Dialysis Facilities are Not Able to Sustain Further Payment Cuts

- The Medicare ESRD program is in the middle of a multi-year transition into the new bundled prospective payment system.
- Unique entitlement creates high dependence on Medicare (>80%), larger than most Medicare providers. Dialysis facilities have no ability to alter payer mix.
- Further cutbacks in service can put patients at greater risk.

Dialysis Community is Doing More with Less Reimbursement



- The proportion of patients receiving adequate dialysis remains high.
- An increasing proportion of patients had their anemia effectively managed.
- Use of the recommended type of vascular access – AV fistula – improved.
- The proportion of patients achieving the mean albumin level, a marker of nutritional status, recommended by NKF increased.
- Management of bone and mineral disorders improved.
- Overall mortality rates have decreased.
- The rate of hospitalizations remains steady.

The Medicare ESRD Program Cannot Sustain Additional Cuts

The Kidney Care Community - Good Citizens

- A strong partner with CMS in refining and improving ESRD care and reimbursement.
- Developed PEAK (Performance Excellence and Accountability in Kidney Care), a program to reduce first-year mortality.
- Provide high quality of care with decreasing public program reimbursement.

Further cuts would disproportionately impact dialysis facilities, given their dependence on Medicare, and could jeopardize the stability that has been achieved

The Future Can be Better for Individuals Living with ESRD

Integrated models of care have been proven to substantially reduce hospitalizations.

Additional breakthroughs resulting from increased research are possible.

The use of other modalities can be increased.

None of this is possible in an environment in which the Medicare ESRD Program is subject to additional payment reductions.

KCP Membership

Abbott Laboratories	Affymax
American Kidney Fund	American Nephrology Nurses' Association
American Renal Associates, Inc.	American Society of Nephrology
American Society of Pediatric Nephrology	Amgen
Baxter Healthcare Corporation	Board of Nephrology Examiners Nursing and Technology
Centers for Dialysis Care	DaVita Inc.
DCI, Inc.	Dialysis Patient Citizens
Fresenius Medical Care North America	Fresenius Medical Care Renal Therapies Group
Kidney Care Council	Kidney TRUST
Mitsubishi Tanabe Pharma America	National Kidney Foundation
National Renal Administrators Association	Nephrology Nursing Certification Commission
Northwest Kidney Centers	NxStage Medical
Renal Physicians Association	Renal Support Network
Renal Ventures Management, LLC	Sanofi
Satellite Healthcare	Takeda Pharmaceuticals U.S.A
U.S. Renal Care	Watson Pharma