



## IMMUNOSUPPRESSIVE DRUG COVERAGE

### Issue:

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Kidney transplant recipients must take immunosuppressive drugs for the life of their transplant, or they risk losing their new organ. Medicare pays for the transplant and immunosuppressive drugs for 36 months post transplant, but coverage of these critical medications stops unless the beneficiary is Medicare-aged or Medicare-disabled.

### Background:

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The Medicare End Stage Renal Disease (ESRD) program pays for dialysis or transplantation for over 550,000 kidney disease patients every year, regardless of age, and has saved millions of lives in the four decades since its enactment. After a transplant, recipients must take immunosuppressive drugs every day for the life of the transplant; failure to do so significantly increases the risk of organ rejection. Patients who qualify for Medicare based on their end-stage kidney failure, rather than on age or other disability, have lifetime Medicare if they remain on dialysis. However, if they receive a kidney transplant, they lose coverage 36 months after the transplant. They very often have difficulty finding other coverage for their immunosuppressive drugs after Medicare coverage ends.

Medicare spends an average of \$77,500 per year for an individual who is on dialysis, and a kidney transplant costs on average of \$110,000. However, after the year of transplant, Medicare only spends about \$19,000 for an individual with a functioning kidney transplant, making transplantation more cost effective than dialysis. If the transplanted kidney fails, the patient returns to dialysis or receives another transplant, both covered again by Medicare and costing the program more money.

Extending immunosuppressive coverage beyond the 36-month ESRD limit would improve outcomes and enable more kidney patients who lack adequate insurance to consider transplantation. Most transplant recipients also have a higher quality of life, and are more likely to return to work than dialysis patients.

### Request:

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S. 1454 and H.R. 2969, "The Comprehensive Immunosuppressive Drug Coverage for Kidney Transplant Patients Act of 2011," would eliminate the time limitation and extend Medicare Part B coverage for kidney transplant recipients for the purpose of immunosuppressive drugs only. All other Medicare coverage would end 36 months after the transplant. For patients who have another form of health insurance, Medicare would be the secondary payer. Beneficiaries would be responsible for the appropriate portion of the Part B premium, as well as applicable deductible and coinsurance requirements. The bill also amends the Employee Retirement Income Security Act of 1974 (ERISA) to require that group health plans currently providing coverage of immunosuppressive drugs for kidney transplant recipients maintain this coverage.