



National Kidney Foundation™

INSURANCE CHOICE FOR MEDICARE ESRD PATIENTS

Goal:

To support patient option to retain private health insurance coverage, as primary payer, if the patient chooses to do so, as other Medicare beneficiaries can.

Why:

Individuals with kidney failure need regular dialysis treatments or a kidney transplant to survive and treatment is very expensive. Since 1973, Medicare has covered these life-saving therapies, regardless of age or disability status, under the End Stage Renal Disease (ESRD) program.

If the patient has an Employer Group Health Plan, the insurance continues for 30 months and Medicare is secondary payer for additional expenses. After 30 months, however, they must switch and have Medicare as primary payer, even if their private insurance offers better coverage.

ESRD patients are the only Medicare beneficiaries who must switch coverage at a certain time. This puts many individuals and families in a difficult position. After years of paying insurance premiums, when a worker or their spouse develops kidney failure, they are forced out of their insurance just when they and their families need it most.

These individuals should have the option to extend their group health coverage, since these plans typically offer better benefits and out of pocket expenses can be much lower than under Medicare. For example, group health plans cover patient expenses once a deductible is paid, but Medicare requires an indefinite 20% copayment for services under Part B, which can be very costly for ongoing dialysis or transplant treatments.

Extending private coverage for kidney patients can also help foster prevention and wellness programs as part of health care reform. There are 26 million American adults with Chronic Kidney Disease (CKD) but most do not know it because early signs of the disease are easily missed without blood and urine tests. Health plans have a greater incentive to slow the progression of CKD if they will be responsible for the very expensive consequences of kidney failure beyond the current 30 months of private coverage.

What:

Congress should allow patients in the Medicare ESRD program to maintain their private insurance as primary payer as long as desired, as other Medicare patients can do.

There were approximately 12,000 new dialysis patients with group health insurance and Medicare as a secondary payer in 2006, the most recent year of available data. The impact on private insurers to continue primary coverage beyond 30 months would be small in a risk pool of 135 million Americans covered by employer group health plans. However, the savings to Medicare could be considerable and create savings to benefit other kidney patients.