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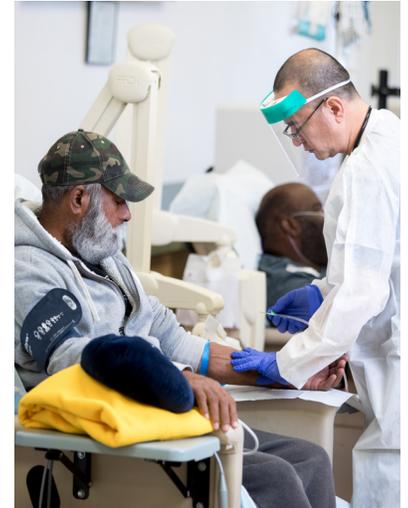
Questions and Answers about Prop 8, the Dangerous Dialysis Proposition

Q What does Proposition 8 do?

A Proposition 8 sets severely low limits on what insurance companies are required to pay for dialysis care. These limits do not cover the cost of providing care, forcing many clinics to cut back services or even close.

Prop 8 would jeopardize access to dialysis care and endanger patients who depend on life-saving dialysis three times a week, three to four hours at a time, to stay alive.

This deeply-flawed proposition is opposed by the American Nurses Association\California, the California Medical Association, ER doctors, patient advocates and many others because it jeopardizes access to dialysis care that patients need to survive.



Q Who opposes Proposition 8?

A Prop 8 is opposed by nearly 100 organizations representing doctors, nurses, patient advocates, veterans, community groups and others. For a complete list visit <https://noprop8.com/coalition-list/> Among the many groups opposing Proposition 8 include:

- California Medical Association
- American Nurses Association\California
- American College of Emergency Physicians-California Chapter
- Renal Physicians Association
- Association of California Nurse Leaders
- Renal Support Network
- Dialysis Patient Citizens
- Chronic Disease Coalition
- California Dialysis Council
- Minority Health Institute
- California NAACP
- California Senior Advocates League
- California Chamber of Commerce
- American Legion, Department of California
- American GI Forum of California
- AMVETS Department of California

Q Does Prop 8 only cover the large dialysis providers, DaVita and Fresenius?

A No, Prop 8 will apply to every single dialysis provider in California, including non-profit dialysis providers and small independent operators.

Q Who is behind Prop 8?

A Prop 8 is being sponsored by the SEIU-United Healthcare Workers West (UHW) union which has a long history of pushing controversial ballot initiatives that put patient care at risk as leverage for its political and organizing agenda.

Q How does it work?

A Proposition 8 sets severely low limits on what insurance companies are required to pay for dialysis care. These limits do not cover the cost of providing care, forcing many clinics to cut back services or even close.

An independent study by the state’s former Legislative Analyst and the economic think tank, Berkeley Research Group, found that, under Prop 8, eighty-three percent (83%) of dialysis clinics in California would operate at a loss.

That’s because Prop 8 narrowly defines what insurance companies are required to reimburse dialysis clinics for patient care by defining a list of allowable costs that clinics can bill to insurers. But Prop 8 excludes critical staff and services necessary to providing high quality care, as well as services required by federal regulators, including:

- physician Medical Director
- nurse Clinical Coordinators
- regulatory compliance
- facility administrators
- community-based kidney disease education
- staff who help patients navigate complicated insurance options
- facility security
- payroll and accounting
- legal services

Q How would Prop 8 reduce access to care for patients on dialysis?

A Prop 8 restricts what insurance companies pay for dialysis care. Prop 8’s provisions would not cover the cost of providing high-quality patient care and operating a clinic.

If clinics can’t cover their costs, they would be forced to make changes to their operations. This could include cutting back services, cutting back on the number of patients they treat, or closing altogether.

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In a report to the state Legislature in May, the independent state Legislative Analyst’s Office said, *“In some cases, CDCs (community dialysis clinics) and their parent companies may decide to open fewer new clinics or close...”*

This measure would have a devastating impact on patients if they can’t have regular access to dialysis care nearby. Missing even one dialysis appointment increases the risk of dying by 30%.

Q How many dialysis patients are in California?

A According to the Forum of End Stage Renal Disease Network there were 68,585 dialysis patients in California at the end of 2016, the most recent year available. Most patients on dialysis receive care at one of nearly 600 outpatient community dialysis clinics throughout the state. Patients on dialysis receive treatments three days a week, three to four hours at a time, to survive. Dialysis does the job of the kidneys by filtering the blood and removing fluid and toxins from the body.

The number of patients needing dialysis is growing at a very fast rate, nearly five percent per year in California. At a time when the demand is growing rapidly, and patients already have difficulty finding dialysis clinics close to home with convenient appointment times, this measure would limit access to care and jeopardize patients’ lives.

Q Which patients will be most affected?

A All dialysis patients would be hurt by this dangerous initiative.

Even though Prop 8's limits on what insurance companies pay for dialysis care only applies to patients who are on private insurance (10% of patients in California), it would negatively impact every patient in California on dialysis because it jeopardizes the ability of all clinics to operate.

Q Will Prop 8 improve quality care?

A Absolutely not. Reducing what insurance companies pay for dialysis care would dangerously jeopardize patient access and care quality.

Today, dialysis clinics are highly regulated by the Centers for Medicare & Medicaid Services (CMS) with California dialysis clinics ranking higher in patient quality and in patient satisfaction than the rest of the nation, according to data from CMS. Furthermore, California's infection rates are among the lowest of all states and continue to improve.

Dialysis clinics are constantly working to improve best practices to deliver high-quality patient care.

Q Will this have an impact on state taxpayers?

A Yes, Prop 8 would increase costs for state taxpayers. As dialysis clinics shut down, patients will be forced to seek treatment in the more expensive hospital setting or suffer severe complications from missing treatment, ending up in hospital emergency rooms. That means more ER and hospital overcrowding, and potentially hundreds of millions of dollars in higher costs for Medi-Cal and Medicare to treat dialysis patients – and higher costs for taxpayers.

Q If this initiative is so bad for patients, why is the UHW union pursuing this?

A The United Healthcare Workers West (UHW) union has a long history of bankrolling controversial ballot initiatives as leverage for its political agenda. In this case, the union has been trying to unionize workers in dialysis clinics for more than two years. Dialysis patients who are very ill shouldn't be used as political pawns.

A [recent story in Politico](#) noted that since the 2012 election cycle, UHW has spent more than \$20 million on California ballot initiatives targeting clinics and hospitals where the union is either trying to organize new members or negotiate contracts. In 2018 alone, UHW has eight other ballot measures in California: an additional statewide initiative and seven local initiatives.

Q Won't reducing what insurance companies pay for dialysis lower the cost of care for all consumers?

A No, the opposite is true. For starters, Prop 8 requires any rebates to go back to insurance companies, but nothing in the initiative mandates insurance companies to pass even one cent of any rebate along to consumers.

Second, this measure would increase costs for the entire health care system and all California consumers and taxpayers. If patient access to outpatient dialysis is restricted, dialysis patients will be more likely to miss appointments and suffer complications requiring hospitalizations. Or, dialysis patients will be forced to get their dialysis treatment in the hospital emergency room, both of which will be significantly more costly for patients and taxpayers.

A recent report by the health care and economic consulting firm Health Management Associates (HMA) found that: *"total costs of care for patients with access only to emergent dialysis was 3.7 times higher than for patients with access to a regular source of care...In addition, when patients miss dialysis appointments, they experience a sharply increased likelihood of hospitalization and need for emergent dialysis. With a single missed dialysis session, the 30-day increased mortality risk has been estimated at 30 percent and increased hospitalization risk at 13 percent..."*

Prop 8 would result in insurance companies and government health programs (funded by taxpayers) paying more to treat patients on dialysis, not less. That increases costs for all health care consumers and taxpayers.

Q If Prop 8 passes, will dialysis clinics hire more workers because they will be able to bill more of the "patient care services costs"?

A No. That's something the UHW union is saying and it's not true. Moreover, it undercuts their claim that their motivation for this initiative is to reduce costs.

There is no mathematical scenario where clinics can cover their costs if they increase the allowable expenses under Prop 8.

Ninety percent (90%) of patients in California are covered by either Medicare or Medi-Cal. Reimbursements from these government payors are fixed and are not covered by the initiative. In many cases, Medicare and Medi-Cal payments don't cover the full cost of providing care.

It is unreasonable to assume that dialysis clinics would substantially increase their operational costs to address this initiative's impact on 10% of patients, when those changes would result in further losses for 90% of their patient load.

Q Can't the companies that operate dialysis clinics subsidize any losses caused by Prop 8?

A That's not realistic. All dialysis providers, including non-profit and independent providers, must evaluate operations on a clinic-by-clinic basis. Every clinic must be able to cover its operating costs to stay open and to continue to provide quality care.

Setting artificially low limits on insurance company reimbursements, as Prop 8 would do, would force many clinics to cut back on services or even close if the low reimbursements didn't cover their operating costs.

If clinics close, patients will lose access to dialysis, a treatment they need to stay alive.

Paid for by No on Proposition 8: Stop the Dangerous Dialysis Proposition, sponsored by the California Dialysis Council
Committee Major Funding from
Fresenius Medical Care North America
DaVita
American Renal Management LLC
Funding details at www.fppc.ca.gov