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February 21, 2013

The Honorable Beth McCann
Chair
House Health, Insurance and Environment Committee
200 East Colfax Ave.
Denver, CO 80203

Chair McCann:

On behalf of DaVita, our 1,200 teammates across Colorado, and the 2,000 individuals on dialysis we care for throughout our 34 facilities across the state, thank you for the opportunity to submit written testimony on HB 1115. We support HB 1115 with the understanding that the amendment recommended by Cover Colorado staff and the Department of Insurance is adopted. The amended bill would allow individuals currently utilizing Cover Colorado sufficient time to transition to another policy with other carriers when the program terminates. From the outset, DaVita would like to express our thanks to Cover Colorado's Executive Director, Suzanne Bragg-Gamble, for her efforts to make sure our patients are taken care of when Cover Colorado's coverage ends. We also would like to thank you for your willingness to accept this important amendment to HB 1115.

DaVita currently treats approximately 25 patients utilizing Cover Colorado for access to Medicare Supplemental policies. Medicare provides coverage for treatments related to ESRD, but only partially covers expenses (80%) – leaving patients responsible for co-payments and annual deductible responsibilities if supplemental coverage is not obtained. Dialysis is life-sustaining, and most people have treatments three times a week. Furthermore, individuals with ESRD often have several co-morbid conditions they are managing (diabetes, hypertension, etc.). Accordingly, these supplemental policies are very important for our patients due to the relatively high cost of dialysis treatment and medications.

Because the Colorado Exchange will not be offering these supplemental insurance policies, these individuals will not be able to access the state exchange for this coverage so again, we're thankful that these individuals will have the opportunity to purchase coverage through other carriers in the state. That said, we remain concerned, and want to call the Committee's attention to the fact that future Coloradoans will be disadvantaged in their ability to get accessible and affordable Medicare Supplemental policies once the risk pool terminates.

The first group disadvantaged by the elimination of Colorado's risk pool will be individuals who lose the opportunity to purchase a Medicare supplement policy after their guarantee issue period has lapsed (6 months after initial Medicare enrollment) or those that lost their previous Medicare supplement coverage due to late payment of premiums. The former scenario happens often with dialysis patients and typically occurs when an individual fails to purchase Medicare Supplemental coverage after their first 6 months on Medicare because they hadn't yet developed kidney failure, only to realize they need it once they've started dialysis much later on.

The second group disadvantaged by elimination of Colorado's risk pool will be individuals who lose access to affordable coverage. The experience of our patients is that supplement policies outside of Cover Colorado is sometimes higher and less predictable in terms of premium rate fluctuation. This can

result in individuals dropping policies in the private insurer market. As an aside, comprehensive insurance coverage (both primary and secondary coverage) is especially important for people with kidney failure, under age 65, pursuing a kidney transplant because eligibility for the transplant is based in large part on the presence of adequate insurance coverage.

We'd appreciate the Legislature's continued focus on a long-term solution for these types of individuals who will not be able to get Medicare supplemental coverage in the Colorado Exchange. Thank you for the opportunity to submit written testimony supporting the amended HB 1115. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeremy Van Haselen".

Jeremy Van Haselen
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