



National Kidney Foundation®

## Frequently Asked Questions about the California Ballot Initiative, Prop 8.

### **What is Prop 8?**

Prop 8 is a ballot initiative in California that will appear on the November 2018 ballot; and it could have harmful effects on dialysis patients.

This ballot initiative would try to make changes to the dialysis industry by capping reimbursements to dialysis providers at 115% of costs. It will require dialysis companies to issue refunds to payers (which are mostly private insurance companies) if their revenue exceeds their patient care costs by more than 15%. It also claims it will incentivize dialysis clinics to invest in more staff, improve quality patient care and improve cleanliness in dialysis clinics.

### **But this sounds good and dialysis providers make too much money, why shouldn't patients get a refund?**

While there may be room for improvement in the care and services provided by dialysis organizations this cap won't achieve that goal and could harm patients. The ballot initiative also does not clearly define how a cap in reimbursement for care will be reinvested to benefit patients or dialysis facility employees; and does not outline any oversight necessary to ensure excess funds are redirected towards benefitting patients. It also does not allow providers to count certain costs that are important to delivering quality patient care. And it does not explain how giving money back to insurance companies will trickle down to benefit patients.

Who would be responsible for making this happen? Over what timeframe? Who would benefit? All unanswered questions that the ballot initiative does not address. But one thing is for sure: capping reimbursements for care will translate to cuts in care for dialysis patients.

### **So how could it harm dialysis patients?**

If Prop 8 passes, dialysis providers will very likely close clinics that are not profitable, many of which are in lower-income neighborhoods and rural areas and which already operate on negative margins.

As it is dialysis patients are spending long hours, several days a week hooked up to dialysis machines at clinics. Cuts in services to dialysis patients and cuts in their care means traveling farther to find another open clinic, or not being able to get treatment because fewer clinics now have too many patients and not enough capacity to serve them.

The National Kidney Foundation has a long history of opposing all cuts to patient care. Any cuts to dialysis patients, who are among the most vulnerable of all kidney patients, are unacceptable and Prop 8 is just too risky for patients.

The National Kidney Foundation opposes Prop 8 because it is unfair to dialysis patients. Instead, we urge all parties, including patients and providers, to come to the table for an open and honest dialogue to

develop solutions that will result in a benefit to patient care. Unfortunately, Prop 8 will not achieve that goal.

### **Who put forward Prop 8? Doesn't everybody support it?**

Prop 8 was put forth in California by the Service Employees International Union—United Healthcare Workers West (SEIU-UHW). But the major physician and nurses' groups in California (including the California Medical Association) oppose this ballot initiative. It is just not good for patients, and those involved in patient care know it. And so do we.

While dialysis providers have room for improvement, and there is a need for more frequent inspections of facilities and quality improvement Prop 8 will not have that effect. The National Kidney Foundation opposes all cuts in funding to patients and opposes Prop 8, which is a bad policy for patients.

### **Dialysis Facts**

Nearly 680,000 Americans have irreversible kidney failure, or end-stage renal disease (ESRD), and need dialysis or a kidney transplant to survive. More than 475,000 ESRD patients receive dialysis at least three times per week to replace kidney function. 121,000 people started ESRD treatment in 2014, of which 118,000 started dialysis.

### **Kidney Disease Facts**

In the United States, 30 million adults are estimated to have chronic kidney disease—and most aren't aware of it. 1 in 3 American adults are at risk for chronic kidney disease. Risk factors for kidney disease include diabetes, high blood pressure, heart disease, obesity, and family history. People of African American, Hispanic, Native American, Asian, or Pacific Islander descent are at increased risk for developing the disease. African Americans are 3 times more likely than Whites, and Hispanics are nearly 1.5 times more likely than non-Hispanics to develop end stage renal disease (kidney failure).

*The National Kidney Foundation (NKF) is the largest, most comprehensive and longstanding organization dedicated to the awareness, prevention and treatment of kidney disease. For more information about NKF, visit [www.kidney.org](http://www.kidney.org)*

**September 27, 2018**