

December 13, 2011

The Honorable G.M. Smith
Chairman of House Ways and Means Healthcare Subcommittee
420B Blatt Building
Columbia, SC 29201

Dear Chairman Smith:

I am writing on behalf of Fresenius Medical Care North America (FMCNA). FMCNA is the largest dialysis provider worldwide and in the United States. In South Carolina, FMCNA provides dialysis to over 3,500 individuals in 54 facilities and employs over 1,000 people across the State.

In FY 2010-2011, the South Carolina Department of Health and Human Services (SCDHHS) announced multiple cuts in its Medicaid budget. Dialysis providers received an additional 4% cut on July 8, 2011. This was in addition to the 3% cut they received in April. Although we understand the agency's growing deficit concerns, dialysis providers are facing those same concerns in South Carolina where many of our treatment centers are in a fragile state and unable to handle any further reductions the Department may implement.

Twenty eight percent of our facilities in South Carolina will operate at a loss for 2011. These fourteen facilities serve 705 patients who currently receive treatment for kidney failure. Additional reductions in payment rates will force FMC, along with other dialysis providers, to make hard choices in determining the fate of those facilities, many of which are in rural areas and many miles from the next closest facility. Please remember that these South Carolinians spend 4-5 hours three days a week in these treatment centers.

According to the United States Renal Data System (USRDS) 2009 Annual Report, nearly 2,000 new cases of kidney failure, also known as End Stage Renal Disease (ESRD), were reported in the South Carolina. Diabetes and hypertension are the leading cause of kidney failure and many expect the number of ESRD patients to double during the next decade. This growing number of South Carolinians going into kidney failure will only add to potential access issues for these patients going forward. FMC, other dialysis providers, and patients in South Carolina cannot afford additional cuts to ESRD by the South Carolina Medicaid Program.

FMC is asking that you give the Medicaid recipients receiving dialysis your consideration and request dialysis providers be exempt from any future cuts. FMC would like to work with South Carolina in implementing cost-saving initiatives that would provide early intervention to those Medicaid beneficiaries who may be susceptible to ESRD. I would urge this Committee to suggest that the Department investigate these cost-saving initiatives rather than implementing further cuts.

Thank you for your support,

Keith Mentz
Fresenius Medical Care

