URGENT: SIGN ON LETTER FOR TRANSPLANT STAKEHOLDERS AND ALLIES

DEADLINE TO SIGN: JUNE 22, 2021

June XX, 2021

Dear Administrator Brooks-LaSure,

The undersigned organizations – representing the nation's foremost transplant centers, transplant providers, transplant recipients and potential recipients, donors and donor families, and medical and hospital associations – write to express our concerns that portions of the 2022 Inpatient Prospective Payment System Proposed Rule ("Proposed Rule") have a significant potential to reduce organ availability and access to transplantation. We request that CMS complete a thorough analysis of the Proposed Rule's potential impact on patient access to transplantation before determining whether these proposals should be finalized.

Proposed Rule Contradicts Shared Focus on Increasing Access to Transplantation

We are puzzled that these proposals have been put forward at a time when CMS has clearly acknowledged that transplantation is generally the best and most cost-effective treatment option for those with ESRD and is undertaking numerous initiatives focused on increasing the availability of kidney transplantation. While we understand that CMS' stated intention is to reimburse only for organs procured for Medicare patients, this proposal appears to have been put forward without consideration of its potential impact not only on the availability of deceased donor kidneys but on the availability of all other deceased donor organs as well.

<u>Proposed Rule Eliminates Successful Incentives for Transplant Centers to Procure Deceased Donor Organs, Rushes Changes</u>

CMS estimates that these changes would result in substantial Medicare payment reductions for organ acquisition costs. The most significant proposed change would eliminate a longstanding feature of the payment system under which organs that are procured at a Transplant Center hospital and transplanted at another Transplant Center are "counted" as Medicare organs for the purpose of determining Medicare's portion of organ acquisition costs. This feature of the cost accounting system functions as a strong incentive for Transplant Center hospitals to establish effective programs for the identification of potential deceased organ donors and engage in other organ acquisition-related activities. The incentive has worked: Transplant Centers constitute only 4% of Medicare certified hospitals but retrieve 36% of deceased donor organs, and organ donation has been increasing over the last few years.

The precipitous elimination of this feature of the payment system – scheduled to begin as early as October 2021 for some Centers – has the potential to significantly reduce the deceased donor organs available for transplantation, reduce access to transplantation, and increase the number of patients who die while waiting for a transplant. In addition, the Proposed Rule would appear to impose an unreasonable burden on Donor Transplant Centers, which would be required to obtain from Recipient Transplant Centers information regarding the Recipient Centers' non-Medicare third party payer contracts (to confirm Medicare as Secondary Payer liability) and to track recipients' Medicare eligibility determinations, many of which are made

retroactively. It is our understanding that some portion of these increased administrative costs would be passed on to the Medicare Program.

<u>Proposed Rule Fails to Consider the Potential Medicare Costs of Reduced Access to Kidney Transplantation</u>

The Proposed Rule does not take into account the potential impact on Medicare costs of the potential reduction in access to kidney transplantation and the concomitant increase in Medicare spending for dialysis. Other provisions of the Proposed Rule that bear further scrutiny would preclude Medicare payment for organs transplanted under a research protocol, eliminate Medicare payment for living donor follow up visits, and preclude Medicare payment for transportation of donor organs.

For these reasons, we strongly urge CMS not to move forward with the proposed transplant-related proposals in the IPPS Proposed Rule prior to completion of a comprehensive study of the potential impact of the transplant-related proposals in the IPPS Proposed Rule on patient access to transplantation and to work closely with stakeholders in conducting this evaluation. We stand ready to work with you to ensure that any changes to transplantation do not have a deleterious impact on patient care and access to this often life-saving procedure.

Transplant Stakeholders and Allies