



August 9, 2018

Honorable Lorena S. Gonzalez Fletcher
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: SB 1156 (Leyva): Healthcare Service Plans: Third Party Payments.
AAP-CA Position: Oppose

Dear Chair Gonzalez Fletcher,

The American Academy of Pediatrics, California (AAP-CA), representing over 5,000 California pediatricians, respectfully opposes proposed legislation SB 1156 (Leyva), which would reduce to the Medicare rate the amount private insurance companies reimburse dialysis clinics.

Dialysis provides life-saving treatment for people with acute and chronic kidney disease. Children with kidney failure depend on dialysis while waiting for a kidney transplant.

SB 1156 (Leyva) would lower reimbursement to dialysis clinics from private insurance companies to a rate that is at or below cost without any requirement for the companies to pass on those savings. It would also allow insurance companies to deny coverage to patients who receive charitable premium assistance to help pay their deductibles. Lowering these reimbursement rates could cause clinics all over the state to close with major impacts to the system as it stands.

By shifting privately insured patients to Medi-Cal and by possibly requiring reimbursement increases to offset losses from private pay patients in order to keep a viable and accessible dialysis clinic network, the state of California could see increased costs.

Pediatrician members of AAP California Chapters 1, 2, 3 and 4 across the state respectfully oppose proposed legislation SB 1156 (Leyva) and urge you to vote NAY.

Thank you for your public service and leadership on behalf of the health and wellbeing of children, youth, and families in California.

Sincerely,

Kris E. Calvin |

Kris Calvin
Chief Executive Officer, American Academy of Pediatrics, California

Cc: Members of the Assembly Appropriations Committee; Honorable Connie M. Leyva, author; AAP-CA Leadership;
Lobbyist Lydia Bourne