

Testimony of Omar Romero

Regional Operations Director, DaVita

House Health Care Committee – February 4, 2020

- Good morning/afternoon, my name is Omar Romero. I operate 11 dialysis clinics in and around Portland area for DaVita.
- DaVita is proud of our commitment to clinical excellence and quality kidney care. We are privileged to serve over 2,000 Oregonians in need of lifesaving dialysis throughout our 28 facilities across the state.
- I am joined on this panel today by colleagues representing the other major dialysis providers in Oregon—Fresenius Medical Care and US Renal Care—in opposition to HB 4114.
- HB 4114 would significantly reduce access to dialysis care for individuals who need treatment three times per week just to stay alive, forcing dialysis patients to seek treatment at clinics further from their homes or worse, in the costly hospital ER setting.
- By mandating that dialysis clinic reimbursement be reduced to the lowest common denominator (specifically, the Medicare reimbursement rate

which does not cover the cost of care), HB 4114 ensures that the overwhelming majority of outpatient clinics in Oregon—where nearly all dialysis patients in the state receive their care—would be forced to close their doors.

- Without going into too much detail, nearly 90% of individuals on dialysis utilize some form of government coverage, typically Medicare, to pay for their care. A very small minority (~10%) have access to private, commercial coverage and those individuals can only keep that insurance for a maximum of 30 months—after which they shift to Medicare.
- Within health care generally, Medicare reimbursement is known to lag the true cost of providing care. Virtually all health care providers are put in the position of having to “make up” for this lag by trying to secure contracted rates with commercial health plans that supplement the underfunding from public programs.
- This dynamic is true in dialysis, but even more so, given the fact that (again) 90% of our patients are on Medicare and those that have private coverage can only keep it for a defined period of time. This delicate balance is what keep dialysis clinics solvent.

- HB 4114 would upend that balance and as a result, dialysis clinics across Oregon would feel significant financial strain—especially in rural areas and the urban core. As access is crimped, critically ill patients would be forced to either drive to clinics farther away or seek treatment in hospital emergency rooms, which is significantly costlier than the outpatient setting.
- The net effect would be less dialysis access points and likely higher health care costs for the state. It's worth noting that Oregon would be the first state in the country to pursue this approach in regards to dialysis.
- If policymakers are sincere in their desire to lower dialysis costs, our community stands ready to help offer potential solutions.
- This bill will simply harm some of Oregon's most vulnerable patients.
- I urge your NO vote.