

Legislative Analysis



MEDICAID: ALLOW CERTAIN KIDNEY DISEASE SERVICES

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House Bill 5063 as enrolled
Public Act 327 of 2006
Sponsor: Rep. John Gleason
House Committee: Health Policy
Senate Committee: Health Policy

Second Analysis (1-23-07)

BRIEF SUMMARY: The bill would allow eligible Medicaid recipients to receive early testing and medical services for chronic kidney disease.

FISCAL IMPACT: The bill is likely to have no fiscal impact on the state or local units of government. See below for a more detailed discussion.

THE APPARENT PROBLEM:

Chronic kidney disease (CKD) is a serious and life threatening disease. It strikes one in nine adults and is the ninth leading cause of death in Michigan. In advanced cases, CKD patients need dialysis treatments or kidney transplants to survive. In 2004, 11,040 Michigan residents were on dialysis and 5,000 kidney transplant recipients received continuing care. However, CKD can be prevented and the progression of the disease can be slowed if caught early in the disease process and treated.

The National Kidney Foundation has recently developed a classification system using a patient's glomerular filtration rate or EGFR (which measures the kidneys' ability to remove waste products from the blood) to assess the level of kidney disease. It is believed that if physicians used the EGFR testing regularly, that kidney disease could be identified earlier in the disease process; physicians could then plan treatment based on the stage of the kidney disease. Treatment initiated sooner could significantly decrease the numbers of patients needing dialysis or kidney transplants. Since treatment is much cheaper in the early stages of CKD than for dialysis (\$55,000 annually) or for a kidney transplant (\$90,000 for the transplant plus \$12,000-\$18,000 in medicines and follow-up care thereafter), any reduction in the numbers of patients with advanced renal disease would have a significant impact on reducing overall health care costs.

The state's Medicaid program currently provides coverage for kidney function screening and treatment for kidney disease in boilerplate language contained in the Department of Community Health budget bill; however, some believe that amending the Medicaid law to specifically allow screening for and treatment of chronic kidney disease as a covered benefit for Medicaid patients may help to better educate doctors about the importance of early kidney screening.

THE CONTENT OF THE BILL:

The bill would amend the Social Welfare Act (MCL 400.109) to allow eligible individuals enrolled in the Medicaid program to receive screening, laboratory services, diagnostic services, early intervention services, and treatment for chronic kidney disease. The bill would also require a clinical laboratory that performed a creatinine test on a Medicaid-eligible individual to include in the lab report his or her glomerular filtration rate (EGFR) and report it as a percent of remaining kidney function.

FISCAL INFORMATION:

House Bill 5063 would likely have no fiscal impact on the State of Michigan or local units of government as nearly all of the chronic kidney services mentioned in the proposed legislation are currently Medicaid covered services. Further, medical services detailed in this section of statute are not required services, with the language in Section 109 (1) indicating that the services "may" be provided.

Recently, Michigan's Medicaid program provided the annual amount of \$14.0 million to 1,432 individuals for various chronic kidney disease services.

ARGUMENTS:

For:

According to representatives of the Department of Community Health, the services listed in the bill (screening, laboratory services, diagnostic services, early intervention services, and treatment for chronic kidney disease) are already covered benefits for Medicaid-eligible residents and are included as boilerplate in the department's appropriations bill. The requirement for a laboratory to report the glomerular filtration rate (EGFR) as a percent of remaining kidney function if a creatinine test had been performed is also currently included in the boilerplate language.

However, by specifically including the boilerplate language in the Social Welfare Act, it is hoped that the legislation will help to educate doctors of the importance of testing for chronic kidney disease (CKD). Reporting the EGFR will alert doctors to the stage a patient is at and indicate appropriate treatment. As more doctors screen for CKD for all of their patients, there should be a dramatic decline in the numbers of affected adults among all populations. Since early detection and appropriate treatment can delay the progression toward kidney failure, the bill could result in increased quality of life for many and significantly impact the cost to the state in delivering health care services to Medicaid-eligible individuals related to kidney disease.

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