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**Congress of the United States**  
**House of Representatives**  
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February 28, 2008

Dear Congressman Stark,

I am writing to express my concerns with current proposals to move immediately to an untested bundled payment system for the Medicare End Stage Renal Disease benefit.

More than 315,000 dialysis patients are dependent upon the Medicare ESRD benefit for their very survival. Therefore, it is imperative that Congress take sufficient precautions before implementing any changes to this benefit to ensure that patient care is not compromised.

Last week CMS sent a report to Congress detailing research and recommendations for moving to a fully bundled prospective payment system for dialysis services. If improperly administered, a bundled payment system could in some cases lead to restricted access and adverse incentives to limit care. Moreover, the proposed new bundled payment has not been thoroughly tested. The fact that this report has only now been transmitted to Congress despite a requirement in the 2003 Medicare Modernization Act that it be delivered no later than October 1 2005 speaks to the complexity of designing and implementing a bundled system.

Section 623(e) of the Medicare Modernization Act also required the testing of a bundled payment system through a three year demonstration project to commence in January of 2006. The fact that there is talk to move to a bundled system while the required demonstration project is still in the development stages is unacceptable.

In a statement on February 20, 2008 on the release of the report, CMS Acting Administrator Kerry Weems stated "We are currently 60 percent of the way to a proven prospective payment system for ESRD." If CMS is only 60 percent prepared for a bundled system, wouldn't it make sense for the results of the MMA required demonstration project to be taken into account before Congress makes such drastic changes to a program affecting the lives of so many extremely vulnerable patients?

While I support initiatives to improve quality and efficiency in Medicare, I do not believe that these efficiencies should come at the cost of patient well being. A bundled

system must take as many variables into consideration as possible and should be evaluated and adjusted yearly to ensure that it is working. I strongly request that any bundling proposal be carefully studied in advance and demonstration projects completed to ensure that patient care is not adversely affected.

Thank you in advance for your consideration. Please have your staff contact Matthew Coffron in my office at 202 225 5965 if you have any questions.

Sincerely,

Shelley Berkley  
Member of Congress