

Texas Sunset Commission Testimony

American Renal Associates
Stan Langhofer, RN, CNN
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Madam Chair and Members:

I am Stan Langhofer, Regional Vice President for American Renal Associates. Thank you for the opportunity to speak to you about the very important issues of state licensure and Medicare certification for new dialysis units in the state of Texas. We appreciate the Sunset staff's work, but would ask you to add a recommendation that would help the kidney patients we serve. My request is that the state licensure and Medicare certification processes be combined into one inspection as is the practice in many other states.

In Texas, prior to performing a single dialysis treatment, providers are required to pass a Department of State Health Services inspection and receive a license to do dialysis. These happen in a timely manner which we very much appreciate. When we receive that Texas license we can then begin to treat dialysis patients, but only private pay or those with private insurance.

The incredible challenge is getting Medicare certification. This too is carried out by the Department of State Health Services on behalf of Medicare. Texas prides itself on a business friendly environment, yet wait times for Medicare certification range from 265 days to over 800 days. This is highly unusual as it compares to other states. In Kansas where much of my experience was, it was not unusual for us to get Medicare certification on the first day of operation. I realize the geography and population of Texas are significantly different. But in other large states like Florida, this certification process only takes 90 days and in California, where both state licensure and Medicare certification are also required, they are both obtained within the first 2 to 4 months of operation.

As you may know, 85% of all dialysis patients are on Medicare. This means that the vast majority of dialysis patients can't come to a newly constructed dialysis unit that may be significantly closer to their homes and therefore better for them and their families until it is certified. This places an undue burden on Medicare patients, reduces patient compliance which drives up health care costs, actually discriminates against them and is not business friendly.

New dialysis centers cost absolutely zero additional tax dollars because Medicare only pays for the treatments performed. They don't pay for any construction costs or facility fees.

Expediting the Medicare certification process would help dialysis providers meet the needs of our states growing population of patients with kidney failure and encourage providers to do business in Texas. I'm happy to answer any questions you may have. Thank you very much for your time and work.