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Ballot Initiative to Improve Dialysis Patient Care Qualifies for Nov. 8 Election in California

If Approved by State Voters, New Law Would Push Dialysis Corporations to Invest More in Patients

SACRAMENTO, Calif. – California voters will get a chance to improve patient care in dialysis clinics through a statewide initiative that officially qualified today for the Nov. 8 ballot.

The new law would push dialysis corporations to invest more in the treatment of patients with kidney failure and improve conditions in the clinics, where patients have reported incidents of cockroaches, mice, blood stains and dirty bathrooms.

"Over the 10 years I've been on dialysis, I've reported unsanitary conditions in my clinic that put me at risk of getting an infection, but it often feels like no one cares," said Tangi Foster, a dialysis patient from Los Angeles. "By passing this ballot initiative, I hope we can push dialysis corporations to finally care more about their patients than their profits."

The California Secretary of State's office certified that supporters had collected the necessary 365,880 valid voter signatures to place the measure on the statewide ballot. Nearly 600,000 signatures were submitted.

The <u>Fair Pricing for Dialysis Act</u> limits dialysis corporations' revenues to 15 percent above the amount they spend on patient care, and requires that any amount above that be refunded. Any money spent on increasing staffing, training or upgrading equipment or facilities would not be counted toward the 15 percent figure, giving the dialysis corporations incentive to make improvements.

Two corporations dominate the dialysis industry in California: DaVita and Fresenius, which own and operate 72 percent of the clinics in the state. The profit margin of their dialysis clinics is nearly five times higher than the average hospital in California, and they reported a combined profit of \$3.9 billion in 2016 from their U.S. dialysis operations.

This monopoly in the dialysis industry in California has made it anti-competitive, according to an analysis conducted by Blue Sky Consulting Group in March 2018. The study concluded that "...the lack of competitive pressure may allow dialysis providers to exercise their market power by setting rates above the level that would result from a competitive market, offer lower quality services, and limit consumer choice."

According to the U.S. Renal Data System, 66,000 Californians have kidney failure, also known as End Stage Renal Disease, a life-threatening illness that typically requires being treated in a

dialysis clinic. Patients often must undergo dialysis treatment three days a week at clinics to remove their blood, clean it, and put it back in their bodies. Each treatment lasts three to four hours.

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