

## Charitable premium assistance: A lifeline for low-income people with chronic conditions



Charitable premium assistance is a means by which nonprofit organizations assist low-income or financially struggling people pay for their health insurance. Individuals with high-cost chronic conditions often have health care needs that far exceed their ability to pay. Without this monetary assistance, patients forego needed care and suffer from poor health outcomes. The American Kidney Fund's (AKF) charitable premium assistance program—the Health Insurance Premium Program (HIPP)—pays the health insurance premiums of nearly 75,000 financially eligible end-stage renal disease (ESRD, or kidney failure) patients on dialysis and recent kidney transplant recipients for up to a year after their transplant.

### AKF's HIPP program is federally recognized

HIPP is governed by Advisory Opinion (AO) 97-1, which was issued by the Inspector General of the U.S. Department of Health and Human Services in 1997. AO 97-1 requires strict firewalls and safeguards to protect and ensure patient choice of provider and insurance coverage, providing a safe harbor from federal beneficiary inducement laws. This protocol has set the standard for dozens of similar national charity care programs for more than two decades.

### AKF covers all types of insurance—most grant recipients are on Medicare

HIPP pays for all types of insurance, including Medicare Part B, Medigap, Medicare Advantage, employer group health plans, COBRA and Affordable Care Act (ACA) Marketplace plans. As most dialysis patients are eligible for Medicare due to their ESRD status, over 69% of the premiums we pay are for Medigap plans, Medicare Part B and Medicare Advantage. About 21% are employer-sponsored plans and COBRA, less than 3% are for ACA Marketplace plans and the remaining 7% are primarily for off-exchange plans. It is important to note that Medicare alone—without supplemental coverage—can be unaffordable for most patients. Medicare does not have an out-of-pocket cap, and dialysis patients can face out-of-pocket costs upwards of \$10,000 per year.

### AKF covers people of all races and ethnicities—most grant recipients are Black and Hispanic

Kidney disease disproportionately affects people of color. Black people make up just 13% of the U.S. population, but they account for 35% of Americans with kidney failure and are 3.4 times more likely to develop

## AKF's Health Insurance Premium Program (HIPP) Premiums Paid

>69%

Medigap plans, Medicare Part B  
and Medicare Advantage

21%

employer-sponsored plans  
and COBRA

<3%

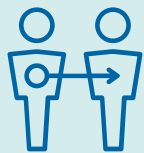
ACA Marketplace  
plans

7%

Off-exchange  
plans

kidney failure than white Americans. Hispanic Americans are 1.6 times more likely than non-Hispanics to develop kidney failure, and Native Americans are 1.2 times more likely than white Americans to develop kidney failure. Because Black Americans and Hispanics are more likely to have their kidney disease progress to kidney failure, over 60% of AKF HIPP grant recipients are from communities of color: 34% are Black, 22% are Hispanic, and almost 6% are Asian, Pacific Islander, Alaskan Native or Native American.

Health disparities, social determinants of health and lack of access to health insurance and primary care are strong drivers of kidney failure in communities of color. Without AKF's assistance, people of color would not be able to afford the health insurance coverage they need to pay for life-sustaining treatment.



**86%**

93,000 of the 108,000 Americans on the organ transplant waiting list are waiting for a kidney

### AKF covers the best treatment option for kidney failure—kidney transplants

Kidney transplant is considered the best treatment option for most people with kidney failure because it increases a

patient's chances of living a longer, healthier life. However, there are nearly 108,000 Americans on the organ transplant waiting list, with 93,000 of them—86%—waiting for a kidney. Transplant centers will not accept a patient if they are not fully insured, and Medicare alone is not considered fully insured. AKF pays for supplemental insurance, usually a Medigap plan, which allows low-income people access to the transplant waiting list. AKF helped 1,615 people—or 7 percent of all the 23,644 Americans who received a kidney transplant in 2020—pay for their insurance and get a life-saving transplant.

### Health insurers are creating barriers for people to access charitable premium assistance

Health insurers have taken steps to make it difficult for dialysis patients to accept assistance from AKF by rejecting direct payments, or by requiring patients to sign attestations that they will not accept help from a charity.

Driving this policy is the misguided belief that because most ESRD patients are eligible for Medicare, those receiving premium assistance should not have the option of private insurance, especially ACA Marketplace plans. However, the choice of insurance plan is an individual decision based on individual needs. Medicare coverage alone is not sufficient for a patient's eligibility on the transplant waiting list. Additionally, Medigap insurance is not available in 20 states to kidney failure patients who are under age 65, who are eligible for Medicare because of their ESRD status. The ACA and Medicare statutes affirm that patients have choice of insurance coverage.

Insurance company policies that make it difficult for patients to receive charitable premium assistance disproportionately impact people of color. By implementing these policies, insurers are targeting populations that have historically been marginalized by the health care system and the health insurance industry. It is important to note that if you can afford to pay your own premiums, insurance companies must take your premium payments; it is only if you cannot afford the premiums and rely on a private charity for assistance that an insurance company can discriminate against you.

### Request to members of Congress

Please reject any legislation or regulations that seek to end a charity's ability to help low-income people pay for their health insurance. Let charities, like AKF, be charitable.