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BAXTER SUPPORTS ADD-ON PAYMENT IN PROPOSED ESRD PAYMENT RULE TO SPUR INNOVATION FOR DIALYSIS PATIENTS

Baxter International Inc. (NYSE:BAX), a global innovator in renal care, today issued this statement:

We support the add-on payment that is included in the End-Stage Renal Disease (ESRD) Prospective Payment System proposed rule released by the Centers for Medicare & Medicaid Services. The proposed rule is a significant shift from the current system and will have a positive impact on patient care. We believe it would increase patient access to innovative devices and technology that improve outcomes for those living with kidney disease. We look forward to working with the community and the Administration to ensure that patients will have access to new and innovative treatments.

"With this rule and the <u>Advancing American Kidney Health Initiative</u>, the Administration is putting once-in-a-generation policies in place to improve the lives of those with kidney disease," said Laura Angelini, general manager of Baxter's Renal Care business. "Building on our 65-year legacy in kidney disease, we will continue to advance innovation across dialysis modalities that reduces complications, improves outcomes and makes dialysis care more efficient."

About ESRD in the U.S.

 Chronic kidney disease impacts the lives of more than 30 million Americans. Of those, more than 726,000 have ESRD, or kidney failure, and require dialysis treatment or an organ transplant to survive.¹



- Medicare provides coverage for ESRD patients, regardless of age. <u>According to USRDS</u>, Medicare spends more than \$114 billion on patients with chronic kidney disease annually, which includes \$35 billion on ESRD patients.
- Currently all renal dialysis services are bundled into the single per treatment payment paid to ESRD facilities as a "bundle" under the ESRD prospective payment system (PPS). Although the bundled payment base rate is updated each year based on inflation and productivity, it has not adequately accounted for the costs of new technologies.

About Baxter

Every day, millions of patients and caregivers rely on Baxter's leading portfolio of critical care, nutrition, renal, hospital and surgical products. For more than 85 years, we've been operating at the critical intersection where innovations that save and sustain lives meet the healthcare providers that make it happen. With products, technologies and therapies available in more than 100 countries, Baxter's employees worldwide are now building upon the company's rich heritage of medical breakthroughs to advance the next generation of transformative healthcare innovations. To learn more, visit <u>www.baxter.com</u> and follow us on <u>Twitter</u>, <u>LinkedIn</u> and <u>Facebook</u>.

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¹USRDS ADR 2018:Vol 2 ESRD, Chap 1, Table 1.4.