

CDC Report

Friday February 20, 2004

Los Angeles, California

Legislative Report and State Budget: Michael Arnold presented the following up-date from Sacramento:

There is a significant difference between the new Administration and Governor Davis'. Governor Davis was a micro manager and everything had to be cleared through him. The new Governor has qualified advisors and he allows them to do their jobs. Kim Belshae is the Director of Health and Human Services and is very accessible. The plan at this time is not to cut Medi-Cal optional benefits (such as non-emergency medical transportation) but to offer different plan levels. There will be a demonstration project and an attempt to move more counties and patients to managed care. The Legislative Analyst's Office (LAO) has released a 600-page analysis of the Governor's budget. She has stated that some parts of the budget should be reconsidered. However, she is supportive of the plan to rearrange enrollment towards more managed care.

The budget is predicated on passage of Proposition 57/58 and if the paired propositions do not pass, the state will be in serious financial trouble. Even if the propositions do pass, the state faces a \$6 billion shortfall at the end of the year. Recent polls have shown that Californians do not support 57/58 with only 35% stating that they do. The Governor, who has popular appeal as a celebrity, is moving forward with TV advertisements to increase support.

The proposed budget includes a 10% reduction in the Medi-Cal budget. The legislature is disinclined to pass this cut. There are two significant factors influencing this. First, this is an election year. Secondly, the courts stayed the proposed 5% cut last year due to perceived access to care issues. Michael Arnold's concern is that last year it appeared that the legislators were disinclined to reduce the Medi-Cal reimbursement and then at the last minute, the "Big 5" agreed on the reduction and insisted that their people vote in favor of it. As we know, the 5% reduction passed.

Michael feels that the best way to get ESRD patients exempted from the budget reduction is to have legislators visit dialysis facilities and actually see patients. He suggests that we focus on access to care issues and target legislators with high Medi-Cal populations and encourage them to protect their districts. Focus on the access to care issues. Peter Crooks suggested that we attempt to form a renal caucus that would deal with ESRD issues and especially focus on ESRD secondary to the epidemic of diabetes.

Sue Vogel suggested that CDC have a legislative meeting in Sacramento once a year as we did last month. Carol Di Raimondo suggested that we include education for legislators as a part of the meeting. This proposal was submitted as a motion, seconded and approved.

Michael also reported that CDC has been successful in the following areas:

SB370 CDC was successful in the removal of the Treatment Authorization Request (TAR) process for dialysis facilities. TARs should have been removed effective January 1, 2004 under the law. However, the Medi-Cal bulletin covering the change stated that it would be effective February 1. This error has now been corrected.

CDC has also been effective in removing laboratory testing frequency limits for ESRD patients that are being imposed on the general Medi-Cal population.

Regulatory Report:

Name Tags: Karen Dyer reported that there is apparently a law in California that requires all health care providers to wear name tags in 18 point or larger font that show name and position. A state surveyor indicated that a letter was sent to all providers informing them of this law. It appears that dialysis providers were excluded from the letter list. Dialysis providers should be aware of this requirement.

Patient Safety Meeting: Karen Dyer informed the Board that a meeting was held in Nashville, Tennessee last week that was sponsored by AIG, a major liability insurance carrier. The purpose of the meeting was to address patient safety issues in dialysis and it was attended by representatives from Gambro, Renal Care Group, Dialysis Clinics, Inc. and Innovative Dialysis Systems. DaVita was invited, but the two representatives who planned to attend were both ill. This group has the potential to be a moving force for patient safety in the dialysis arena.

NRAA Report:

Newsletter - NRAA's new newsletter renamed "*Renal Watch*" launched on February 6, 2004. *Renal Watch* should be opened in HTML format for optimal viewing. You can now select specific articles of interest with one simple

click. The news links are now integrated into the newsletter. Please let us know what you think!

Website - The new website design was introduced on February 1, 2004. There is a new 'look and feel' with a brand new feature in the 'Members Only' section called "Resource Documents". This area is a work in progress and will be updated on a regular basis. Check it out at www.nraa.org

The ability to pay for Membership Dues and Meeting Registrations with a credit card on a secured server is on its way.

Spring Meeting - The Spring Meeting is scheduled for May 6 - 8, 2004 at the Hilton Cancun Beach & Golf Resort in Cancun, Mexico. Check the website @ www.nraa.org for the Meeting Brochure

ESRD Network Report:

I NVAII- "Fistula First"

- Networks area now moving from awareness building to implementation that will continue into 2006.
- Network 18 is working with 25 facilities in the San Diego and Los Angeles areas on a "pilot" basis now and developing a plan to incorporate additional facilities by June.
- Some data collection issues remain as CMS continues to work with Large Dialysis Organizations ("chains") to transmit vascular access data electronically to Networks. Similarly, Networks are developing methods to collect access data from Independent facilities.
- CMS requested IRB review of the Project and recently received an opinion that it is not research. Each Network will conduct an independent assessment to ensure that there are no Human Subjects Research issues in their regional project.
- Several reimbursement issues associated with vascular access (e.g., coverage for vein mapping procedures) are under development/review by CMS.

II Other Quality Improvement Issues

- The CDC has assigned a low priority to the annual of Survey of Dialysis-Associated Diseases and the Networks' did not receive approval to collect a subset of that data.
- Preliminary CPM data shows that Network 17/18 Adequacy of Dialysis outcomes are below the national average and that Networks 17/18 have the shortest mean dialysis session length.
- Network MRBs are required to conduct reviews of newly diagnosed patients to identify patterns of early initiation of dialysis or other issues related to protecting the Medicare Trust. We will soon review 2003 data and apply a methodology to identify physician/facility "outliers". Complete information on this issue has been forwarded to all facilities.
- The recent Bloodstream Infections issue for which the Department of Health Services collected data from all facilities is now under review. Dialyzer reprocessing (including refrigerator storage between the treatment and completion of the re-use procedure) is among the many epidemiologic/infection control issues that are being considered in the initial analysis.

III Data Issues

- The annual Facility Survey process is underway; reports are due to Network 18 by Friday, February 27th. Vocational Rehabilitation reports are due March 5th.
- The effort to standardize data collection and reporting across all 18 Networks continues. A new form to collect monthly patient census activity will be used effective April 1st and all facilities will receive a complete packet of information in the next 2 weeks.

IV Other

- CMS continues to support initiatives related to Managing Difficult Patients, including expected grants to Network 17 and the Forum of ESRD Networks. The Network 17 proposed project builds on work originally done in late 2002 and includes a training module for facility staff and managed care organizations.
- We look forward to seeing the CDC at the Annual Meeting & Conference in Palm Springs!!

Carol DiRaimondo informed the Board that Network #17 has been successful in obtaining additional grant money for the *Patients Who Try Our Patience* project. Additionally, Network #17 is sponsoring a "Bring Your Vascular Surgeon to Dinner" project. Dr. Larry Spergel will present the key note address and the first of these events is scheduled to be held at the Claremont Hotel.

Medicare Report: CMS Published Revised Medicare Reimbursement Rates For Separately Billable ESRD Drugs on February 3, 2004. "Per instructions from CMS, The Fiscal Intermediaries were to hold ESRD claims in location SMEMMA until the prices were updated in the system." United Government Services confirmed on Friday, February 6, 2004, that the revised final files were received, loaded and ESRD claims would be released from 'hold' status during the nightly processing run.

New Medicare ESRD HCPCS Codes For Epogen - Effective January 1, 2004, Medicare ESRD providers and suppliers

are to use HCPCS code Q4055 for epoetin alfa (Epogen). The previous Q (Q99xx) codes for Epogen have been deleted. Billing requirements are: Rev code 634 or 635, Value codes for HCT and total Epo dosage, Q4055 – New change Reimbursement is \$10/1000u

CMS ESRD Open Door Forum - Next meeting is scheduled for March 26, 2004

Introduction of Dr. Lurvey: Dr. Carol Di Raimondo introduced Dr. Arthur Lurvey who is the Western Medical Director for United Government Services (UGS), the Medicare Part A Fiscal Intermediary for California. Dr. Lurvey is an internist and endocrinologist and was the Medical Director for NHIC, the Medicare Part B carrier for seven years. He stated that he has come to assist the California Dialysis Council and to listen to the concerns of providers. He is a featured speaker for the CDC Annual Meeting in Palm Springs. When asked about the history of UGS, he responded that Medicare Part A was originally contracted to Blue Cross of California. Blue Cross dropped out as intermediary and UGS stepped in. UGS is the largest Medicare payment contractor in the United States. It has two Medical Directors, one in Wisconsin and one in California. Dr. Lurvey would like to use CDC as a filter so that problems can be identified.

Medi-Cal Report:

Treatment Authorization Requests (TARS) - California Department of Health Services issued a correction on the Medi-Cal website on February 5, 2004, stating that TARS are no longer required for ESRD services effective January 1, 2004. With the elimination of TARS, it is unclear how the California Department of Health Services will determine Medicare eligibility for ESRD patients. Please advise the California Dialysis Council office if you encounter problems with eligibility.

CDC Program Committee: Mary Brattich reported that the program is all set for the Annual Meeting. A PAC silent auction request was handed out to attendees as well as a form from Michael Arnold for companies to sponsor the PAC. Amgen has given a large educational grant for meals and snacks and Network #18 is sponsoring lunch on Friday. The Annual Meeting is set for April 1-3, 2004 in Palm Springs.

Other Business:

Dr. Bryan Wong has been asked by the Renal Physicians Association (RPA) to have CDC send a representative for the RPA payment committee. Bryan asked if there was any interest in participating. There was some concern regarding resources required to participate in this effort versus the gain for CDC. This will be a trial and there is no long term commitment. Tom Paukert volunteered to participate. After much discussion, the following motion was made by Judith Filangeri. *CDC is supportive of liaison with the Renal Physicians Association and in that effort, Tom Paukert will be the CDC representative.* The motion was seconded and carried.

Next Open Board Meeting:

May 21, 2004 in Los Angeles

For more information and a registration form, please check our web site at:

http://www.caldialysis.org/next_meeting.htm