

CDC Report

Friday, January 17,

Los Angeles, California

Legislative Report and State Budget Budget Issues: The full impact of term limits has hit the Assembly. The longest standing representatives have served for five years at this time and are struggling with the current state budget situation. The Republicans would like to decrease public services without increasing taxes and the Democrats would like to increase taxes to cover the services. The Governor's final budget proposed the elimination of 18 optional benefits for Medi-Cal in addition to a 15% decrease in Medi-Cal payments. The rate cut will not affect in-patient and outpatient hospital services but will affect all others. One of the optional benefits that the proposed budget eliminates is non-emergency medical transportation. Additionally, the proposed budget will realign Medi-Cal and will give counties the incentive to administer Medi-Cal eligibility determinations more efficiently. The Governor proposes to shift fiscal responsibility of Medi-Cal long-term services to the counties with a dedicated revenue stream.

Michael Arnold testified before the Senate Budget Subcommittee #3 on January 15th on behalf of the dialysis community regarding the proposed 15% cut and the elimination of non-emergency medical transportation reimbursement. Skilled Nursing Facilities and Hospice were there doing the same. Many providers have compelling arguments for their specialty areas. In order to be successful, the dialysis community needs to develop a strategy to become a "squeaky wheel."

The Governor wants to move forward with changes to save money as soon as possible. He may move forward with approximately \$4 billion of the cuts soon. Therefore, we need to act immediately.

Michael believes that a three-part effort is the most successful and outlined his thoughts for such a plan. The *first component* is a grassroots lobbying effort by clinics and patients. He will provide sample letters as well as names of legislators on the Assembly and Senate budget committees. He strongly encouraged an all-out effort on this front. CDC will send this information to ALL California clinics and put the sample letters on the CDC web site. The *second component* is enhanced lobbying efforts, specifically, patient visits to legislators and arranging for legislators to visit dialysis facilities in their district. The *third and final component*, is to enhance PAC funds as there is currently only \$2000 in the CDC PAC fund. Companies or individuals may donate up to a maximum of \$5300 per year, under State law. We need more access to legislators and are better able to get this if we make use of political action funds.

New Legislation: There is no new significant legislation as of yet. We will move forward with the TAR elimination bill.

Regulatory Report: *LVN Scope of Practice:* The proposed regulations are now at the Office of Administrative Law (OAL). There is no definitive language in the regulations that allows LVNs to initiate dialysis via central line catheter. It is understood that if a facility has established protocols, the LVN will be able to initiate dialysis via a central line catheter. The necessary components for establishing such protocols are as follows:

- Define training for catheter access
- Include catheter access in the LVN job description
- Develop written policies and procedures for catheter access
- Specify supervision (MD and/or RN) of the LVN doing the procedure
- Obtain approval from the governing body

According to Mary Brattich, the two main points in the proposed regulations are (1) the method of specialized instruction and demonstration set forth in standardized procedures, and (2) the definition of "immediate vicinity" for the purpose of supervision of the LVN as identified in the standardized procedures.

NEWS UPDATE - Office of Administrative Law (OAL) APPROVES LVN Regulations

See separated news update or click on the LVN Regs link below to go to our web site for the full story and a copy of the regulations.

[LVN Regs](#)

Technician Training. Mary Brattich reported that the San Diego office of the Department of Health Services is interpreting that if a patient care technician is not certified, i.e. trainee, that person must be supervised by a RN who has no other direct care responsibility. This language is not in the training act and it was felt that this position can be challenged.

Network Report Doug Marsh was unable to attend the meeting, but provided the attached report on Network activities.

Medicare Report: Nancy Ann James reported as follows: A National Coverage Decision has replaced the local medical review program for Carnitor. Effective January 1, 2003, for reimbursement purposes, patients must have a serum Carnitine level of less than 30 AND have documented EPO resistance or documented intradialytic hypotension. If the drug is administered for more than six months, there must be documented improvement for the patient. Reimbursement for vitamin D therapy will not change at this time. A study is being conducted until 2004 when a National Coverage Decision will be made.

Medi-Cal Report:

While we initially believed that elimination of the TAR process for ESRD Medi-Cal patients was seen as beneficial for all concerned, it may now be impacted by fraud and abuse concerns. Michael Arnold believes that we may still have success by approaching the issue from a cost savings perspective

NRAA Report: Cindy LaMunyon delivered a report on NRAA activities.

MedPAC is recommending a 1.6% increase for dialysis providers for 2004.

Cindy described a communication in the NRAA Newsletter that clarifies CMS survey issues.

1. Only one (1) patient is necessary for a new certification.
2. Use of Network-specific forms is not mandatory.
3. A patient coming off dialysis may remain in the chair during machine set-up for a new patient.
4. Deficiency statements are to be mailed within 10 days of the survey visit.

The CMS document containing this clarification will be on the CDC web site in the Regulatory section.

CMS has implemented a "Single Drug Pricer" (SDP) or nationally standardized drug-pricing process for reimbursement. The fiscal intermediaries have a 90-day grace period in which to implement the SDP program. During this 90-days (until April 1, 2003) the FI may still pay under the old pricing. UGS has requested that providers hold claims for hepatitis B vaccine until April because of the conflict in claim numbers. Full information on this topic may be found on the CDC Web site at <http://www.caldialysis.org/sdp.htm>.

Membership Report

As we are currently in the membership renewal process, no actual numbers were given. CDC needs to increase its membership to continue to be fiscally sound. Both physician memberships and independent dialysis facility memberships need to be increased.

Annual Conference and Meeting: The Program Committee is in the final stages of putting the program together and the brochure should be out shortly. One slight set back has been that the Palm Springs Marquis Hotel has closed due to bankruptcy. Fortunately, the Wyndham Hotel, where we have had two prior meetings, was able to accommodate us at the same rate/same dates.

**The next Open CDC Board Meeting will be held
in Oakland on March 21, 2003**

More information may be obtained from our web site at:
<http://www.caldialysis.org/EVENTS.htm>

Network Report

Quality Improvement Projects: Current QIPs on stenosis monitoring are wrapping up, with final reports due to CMS in April. The next Network QIPs will also be vascular access related and incorporate the expertise of the Institute for Healthcare Improvement (IHI). The Networks and IHI are now beginning to develop the goals, strategies, methodologies, etc. CMS is filling more of an advisory role than a review/approval body. As the Network Coordinating Center, Network 18 will play a central role in this and other new ESRD Program projects developed outside the scope of the base Network contracts.

CMS Contract 07/2003 – 06/2006 RFP expected February 1st 2003. Fixed-price contracts will be negotiated with, and awarded to, 16 Networks. Networks 6 and 18 (which currently hold cost-based contracts separate from the base Network contract) are expected to receive cost-reimbursed Network contracts. There has been some discussion about a portion of the contracts being performance-based, but this and many other details will only be known when the RFP is released. CMS will be performing on-site evaluations of all the Networks as part of the contract renewal process; Networks 17 and 18 are scheduled for April 7-8 and 9-10 respectively.

Vision Training: Networks continue to train facilities not affiliated with the 5 largest chains. 4 facilities in Network 17 and 8 in Network 18 are now transmitting HCFA-2728 and HCFA-2746 forms and patient demographics/events data electronically to the Network. CMS is preparing training goals in conjunction with the launch of the training program for the large chain providers. Both Networks will continue to train facilities on-site as well as through regional workshops and WebEx.

E-Lab Project: 6 Networks (1, 5, 6, 8, 11, 14) are currently participating in this project where certain test results are transmitted directly from the ESRD lab to the Network. There is considerable interest in expanding the project, but it is tempered by CMS' concerns about confidentiality and other issues.

Region IX/State Agency/Networks 17/18: The General Accounting Office is again conducting interviews with selected State Survey Agencies (including California) regarding their role in monitoring compliance with regulations and improving the quality of ESRD care. Region IX Transplant Centers will be surveyed separately from any licensing and certification reviews that may occur during regularly scheduled JCAHO inspections.

Involuntary Patient Discharge Survey (Network 18): 12 Networks are participating in this CMS-approved project which is aimed at quantifying the magnitude of the problem, the reasons for discharge and other trends. All the data will be compiled and analyzed and reported by Network 11 by mid April. Surveys are due January 17th; facilities that have not yet responded will be contacted to complete the one page questionnaire.

Annual Meeting & Education Conference (Network 18): The NKF-Southern California's Scientific Symposium will be a 2-day conference this year, necessitating reconsideration of the Network 18 Annual Meeting & Education Conference arrangements. The Board will consider options at its February meeting and would like the CDC to consider partnering for its April 2004 meeting. The CDC Board agrees conceptually with the idea and would like to hear more from the Network regarding arrangements.

