

CDC Report

Friday, June 18 ,2004

Oakland, California

Legislative Report and State Budget: Michael Arnold submitted the following report.

The 10% Medi-Cal cut for 2004 is still “off the table” at this time but he will continue to monitor the activity of the Budget Conference Committee.

There are two other important budget related matters and both have been put off by the Administration beyond this budget cycle. The Administration plans to present a plan for these two issues: *Medi-Cal Re-design and Medi-Cal Refinancing* on August 2, following the budget approval.

The re-design is looking at a new benefit structure, moving more Medi-Cal patients into managed care. Those who are not in managed care will be moved into a two-tier program. One of the two tiers will be more expensive and will have more options. We need to be sure that issues important to the renal community (such as non-emergency medical transportation) are included in both tiers. Also, the selective provider contracting expires this year. We need to try to avoid loss of options in the renewal process. The Administration may try to work directly with CMS on this if they are unsuccessful in working with the legislature.

Licensure Issues

New Facility Licensure: Michael Arnold has spoken with representatives at the State Department of Health Services (DHS) and is awaiting a return call from Pat Morrison who is currently on vacation. Michael stated that there has been a hiring freeze for the past two years and the Department is in disarray. Nancy Ann James spoke with Eric Stone for Los Angeles County and Eric told her that his office will only be able to perform one survey per large company per month. Ann Robar suggested that the DHS surveyors might prioritize their visits and triage their time more efficiently. She stated that if they checked with the Network prior to a complaint visit, they might have a better picture of the issues in the facility. Lynn Field stated that the state surveyors in the Network #17 area do check with her office. Ann suggested that Michael bring this idea to the attention of Pat Morrison.

Santa Rosa DHS office and Home Training Licensure: A surveyor in the Santa Rosa office informed Ann Robar that her home training facility (hemodialysis and peritoneal) did not have to be state-licensed. The facility is located in the Modesto area and the surveyor told Ann to begin training and that her staff would come in and perform a Medicare certification review. Ann stated that she had tried to tell the surveyor that state licensure is required in other areas. Several people encouraged Ann to get that statement in writing from the surveyor. There will also be issues for the new facility in terms of obtaining supplies and medications for which vendors require a copy of the license. Michael Arnold will attempt to have Pat Morrison or another DHS representative attend the September Oakland meeting to discuss various licensure issues.

Electronic licensure & Certification Survey Results: Michael Arnold will send a letter to DHS requesting that survey results be sent to facilities electronically, if possible. Jan Anderson will draft a letter for Michael to send.

Hemodialysis Technician Certification: Michael reported that, as we know, an amendment to last year’s Hemodialysis Technician Certification Legislation caused its defeat. DHS does not have the resources to sponsor legislation this year. Michael wanted to know what the Board thought about the possibility of CDC sponsoring the legislation drafted last year in the next legislative session. The members present felt that we should probably defer action.

Wage Index Resolution: Instead of approaching the current wage crisis California is experiencing through the legislature, the committee (Sue Vogel, Michael Arnold, Mike Paget, and Jan Anderson) decided that it would be better to write a position paper regarding the wage index and California concerns and send it to the three Large Dialysis Organization (LDO) in California and to NRAA. Gambro has responded that CDC can count on their help and support. Kent Thiry with DaVita responded, "thanks." Since CDC is now a member of Kidney Care Partners we will send the position paper to them as well and will attempt to have it discussed on the July 2004 agenda. We hope to have the concerns brought to CMS so they might be considered in the bundled rate that will become effective on January 1 of 2005. Additionally, the Medicare Modernization Act (MMA) states that there has to be a geographic wage index, but any change in reimbursement must be budget neutral. There are many unknown issues regarding wage index adjustments.

Kidney Care Partners (KCP): Sue Vogel reported that she has participated in her first conference call as a member of KCP. They are working on composite rate increase and will be lobbying legislators. CDC has still not received a bill for membership, but Mike Paget has heard that it may be \$2,000 per year. Perhaps CDC can raise the money for membership via its corporate sponsors.

NRAA Report: The Fall meeting will be held September 29 through October 2 in Denver. Interested persons may get registration information at the NRAA web site www.nraa.org. Jan Anderson is scheduled to speak on the new Conditions of Coverage if they have been published at that time. The meeting is being held in conjunction with the Renal Support Network, Lori Hartwell's patient organization. The Renal Support Network has been a local California organization but has recently gone national. We wish Lori the best in this endeavor. A Board of Directors election is on the agenda for the meeting and the Western Region as well as a Director At Large are open. Cindy will be running again for Western Region, but anyone interested in either of the positions was encouraged to run.

Medicare/ Medi-Cal Report: Cindy LaMunyon reported that she attended a Large Dialysis Organization (LDO) meeting at TrailBlazers offices recently. The most common reason for claims denial is that UGS receives no response to the request for additional data within the allotted time. Apparently the dialysis industry is one of the worst offenders for both UGS and for TrailBlazers (Texas).

TrailBlazers has initiated probes for all ESRD drugs. The use of Carnitor without sufficient documentation seems to be the most problematic. Cindy feels that Trailblazers did not request the medical support data that they really needed. They have additionally placed some providers on pre-payment review. Many California facilities (LDO) use TrailBlazers as their fiscal intermediary.

CERT the Comprehensive Error Rate Testing initiative was put in place by CMS for the purpose of reviewing the accuracy of payment by the fiscal intermediaries and is conducted by outside contractors. However, apparently there has been poor response to the CERT requests from providers. Non-responders will now be reported to the OIG. Dr. Brian Wong suggested that all facilities be notified that CERT letters are not to be ignored.

Medi-Cal A meeting with Dr. Farber has been scheduled in Sacramento on June 23, at 3 pm. Carol DiRaimondo, Michael Arnold, Cindy LaMunyon, Jill Stringfield, and Kelly Wright with Amgen will attend. The purpose of the meeting is to discuss the Medi-Cal EPO policy especially with regard to quality of care. *See follow up report and the end of this CDC Report*

Network 17 Up-Date: Lynn Field, Quality Improvement Director delivered the Network 17 report. *Non-Conforming Patients project.* Four Northern California workshops have been scheduled to train dialysis staff in the definitions and techniques developed by the workgroup at Half Moon Bay. Some details are as follows:

Attendees will be recommended by facility managers.

The facility social worker will be required to attend.

There will be no registration charge but pre-registration will be required.

State surveyors and Kaiser case managers will be invited to attend.

CEUs will be available for RNs and social workers.

Facilities will have their choice of venue. The dates are Tuesday, September 14 at the Radisson Hotel, Sacramento, 9AM to 1PM and Tuesday, November 9 at Riqueys Hyatt Hotel in Palo Alto at the same time. Facilities in Contra Costa and Alameda Counties are focus group facilities and will attend TWO Sunday sessions and have a more intensive curriculum. The dates are Sunday, October 3 at the Oakland Marriott (1PM to 5PM) and Sunday, October 24 at the Walnut Creek Marriott at the same time.

Annual Evaluation of Networks. The CMS Project Officer performed the annual site visit and evaluation of compliance with federal contractual requirements. Networks #17 and #18 received 100% on their score cards!

Transplant Designee Procedure. The current Network #17 protocol that designates each dialysis facilities medical director to act as Transplant Designee, and that has been in effect for ten years, is now under question by CMS and State surveyors. The issue will be discussed at the June 30, MRB meeting and all facilities affected will be informed of the outcome. Karen Dyer reported that Network #18 facilities have agreements individually with Transplant Centers and that it has not been problematic.

Membership Report: Mike Paget reported for Sandra Wilson that all three of the major corporations have renewed their membership for 2004 and there are a few straggler memberships still coming in. There are 181 facilities renewed at this time and ten corporations. Fifteen physicians have renewed membership and thirteen individuals.

CDC Program Committee: Mary Brattich reported that the Annual Meeting is scheduled for April 7-9, 2005 at the Wyndham Palm Springs Hotel. There will be an up-date on the program at the September Board meeting. The Marengo Band of Indians has approached Michael Arnold and would like to have conventions at their new Casino Hotel in Cabazon. Perhaps the Board will consider this location for 2006. There is no report at this time for the November educational meeting.

Other Business:

ANNA is promoting legislative lobbying and inviting legislators to facilities. Additionally, ANNA has worked hard to gather data by state regarding the various responsibilities that may legally be carried out by RN, LVN/LPN, and technicians. This information will be posted on their web site. <http://annanurse.org/>

Next Open Board Meeting:

August 20, 2004 in Los Angeles

As usual, there is NO meeting in July

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

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

June 23, 2004 CDC / Medi-Cal Meeting Up date

Medi-Cal's Medical Director, Dr Farber, is receptive to working with the CDC to rewrite the EPO Policy. The CDC's objectives are:

1. Simplify the epoetin alfa treatment guidelines
2. Eliminate the maximum allowable dose edit
3. Allow for medically justified hct / hb levels for ESRD patients
4. Allow for the natural variability of hct / hb in ESRD patients
5. Eliminate or restructure the "Recombinant Human Erythropoietin" form
6. Evaluate the limitations of Medi-Cal's systems and claims processes

We have a real opportunity to make constructive change for the dialysis community. Dr. Farber seems quite attuned to our issues and concerns, and expressed his intention to write a new policy that "works" for both Medi-Cal patients and providers.