

# CDC Report

Friday, October 15 ,2004

Los Angeles, California

**Legislative Report & Budget Update:** Michael Arnold presented the following up-date from Sacramento.

As a result of the legislative races for the November election, it is vacation time in Sacramento. There are three hotly contested senate races and about ten contested assembly races. This is a good time to get to know candidates and ask them to visit facilities. At this time, the Governor has not yet gone out to the contested districts to support Republican candidates. He may do that, but Michael Arnold states that the Governor has a vested interest in maintaining communications with the Democratic majority and he may not do much electioneering.

All of the bills enacted during this legislative session will become effective on January 1, 2005.

Next year will remain difficult with regard to the budget. There will be a carryover deficit of \$12 billion. We will remain at risk for Medi-Cal cuts. Last year the California Medical Association (CMA) spearheaded a lawsuit to prevent Medi-Cal rate cuts and won. An appeal filed by the state will be heard by the 9<sup>th</sup> Circuit Court of Appeals. The law firm representing CMA is hopeful that they will prevail against the state in the appeal process.

We continue to watch Medi-Cal re-design. It will be a part of the budget process for 2005 and it has been folded into the California Performance Review (CPR).

Michael distributed legislative highlights to those in attendance they are also posted on the CDC web site at [http://www.caldialysis.org/status\\_report.htm](http://www.caldialysis.org/status_report.htm). He summarized a few of the highlights as follows.

The Governor was successful in working with the legislature to pass a Workers' Compensation reform bill. The new law is supposed to reduce rates.

ACR 250. The CDC-sponsored California Chronic Kidney Disease Education Week was introduced on the floor of the state Assembly. The intent of the Assembly Concurrent Resolution is to increase awareness in the legislature regarding chronic kidney disease.

2005-2006 Biennial Session begins in December 2004 for the new legislature. They will convene briefly then adjourn for the holidays. When the legislature reconvenes in January, they will be ready to move forward with new legislation. The January revision of the budget will be released on January 10 and we will know what challenges we face in the new year. Michael Arnold expects another proposed Medi-Cal cut.

Lori Hartwell stated that she feels that now is the best time to approach the legislators regarding keeping ESRD out of the Medi-Cal managed care program instead of waiting until budget decisions are made. She suggested that CDC write letters to legislators and Michael Arnold stated he would prepare a draft of such a letter.

**Regulatory Report:** Karen Dyer stated that two representatives from the Contra Costa office of the California Department of Health Services (DHS) who attended last month's meeting had stated that it is now State policy not to license free-standing home training dialysis facilities. One of the Innovative Dialysis Systems' free-standing peritoneal dialysis facilities just received a license renewal request from L.A. County DHS. Also, one of the operations people from Innovative has spoken with Eric Stone from L.A. County DHS and says that Mr. Stone is unaware of the licensure issue as above. Ms. Dyer requested that Michael Arnold follow up with someone in administration of the state DHS (as opposed to one of the county regional offices) and that he try to get a response in writing. He will follow up on this issue.

Karen Dyer also told those attending that the Office of the Inspector General of DHHS (OIG) released the 2005 Work Plan last week. For the first time in a number of years, ESRD does not have its own section in the Work Plan. There were, however, two issues of particular interest to the community. They revolve around quality of care in dialysis and the effectiveness of CMS oversight of the ESRD community.

**NRAA Report:** Cindy LaMunyon delivered a report for the NRAA. The new President is Maureen Michael, and the President-Elect is Tony Messana.

Cindy also reported that Brady Augustine is no longer the ESRD contact person with CMS, but is transitioning into a new role. The new ESRD contact will be Lana Price and the contact process looks as if it will be fragmented. There are two Med-Pac recommendations that Cindy discussed.

1. The Medicare Modernization Act (MMA) becomes effective in January 2005. Med-Pac recommends that Average Selling Price (ASP) without any deduction be used for drug reimbursement. A number of special interest caucuses also supported the use of unaltered ASP. A decision is due by November 1. The case mix adjustment, which is not well defined, is scheduled to be introduced in April, 2005. The NRAA website contains a spreadsheet calculator that will assist in determining the financial and case mix effects of the MMA changes. The spreadsheet is in the Members Only section of the web. NRAA requests that providers who access the spreadsheet and use it, send a copy back to NRAA and forward a copy to Brady Augustine. Apparently, CMS believes that the net result of MMA changes will be beneficial for the ESRD community, but most providers who have used the calculation spreadsheet do not find that to be the case. Brady Augustine has agreed to review the data if it is forwarded to him.
2. Med-Pac has supported the Hematocrit Measurement Audit- Program Memorandum (HMA)

NRAA has discussed holding their Spring 2006 meeting in Palm Springs in conjunction with the CDC Annual Meeting. The CDC Board approved the concept so we will move forward with planning. Lori Hartwell suggested the possibility of having an afternoon session on Saturday that would include patients, perhaps on the topic of the legislative process. Lori would like to have this considered for the 2005 Annual Meeting.

**Network Report:** Doug Marsh reported as follows:

1. Brady Augustine's new position is with the CMS Quality Council. The first project selected by Dr. Mark McClellan for the Quality Council is Fistula First. The CMS Quality Council has raised the target rate for fistula placement to 66% by 2009.
2. The final comment period for changes in G-codes for billing ended in September. Doug believes physicians, aside from surgeons, will be able to order/ bill for vessel mapping.
3. A new training DVD for surgeons regarding fistula placement was spearheaded by Dr. Larry Spergel and Dr. William Jennings at the University of Oklahoma. The DVD (free!) will be available soon. Network #18 has achieved the 40% fistula target rate.
4. The Clinical Performance Measures (CPM) project has hit a stumbling block. There are issues related to CLIA and the labs are unsure whether they can release data to the Networks. The Large Dialysis Organizations (LDO's) will transfer data electronically to the Networks and independent providers will be able to send data manually.
5. There is a new CMS 2746 form (death notification) and it is effective at this time. New CMS 2728 (medical evidence form) and monthly status forms for the facilities are coming soon.
6. VISION training is underway. The Network is required to have a commitment from 40% of independent facilities that they will be trained and 20% of those have to be using the program. Doug is unsure that 40% of Network #18 facilities have the technology to participate in the program but is comfortable that 20% will be able to actively use the VISION program.
7. Network #18 has 7 vacant positions for the Medical Review Board (MRB) and is accepting nominations. One of the vacancies will be Chairperson as Dr. Allen Nissenon is term-limited off the MRB. Network #17 also has one open position on its Board of Directors and is accepting nominations.
8. One Legacy, the regional Organ Procurement Organization, is having a float in the Rose Parade this coming New Year's Day. The Renal Support Network (Lori Hartwell's group) would like to have 50 volunteers for Saturday, December 26<sup>th</sup> to help decorate.

**Medicare/ Medi-Cal Report:** Cindy LaMunyon delivered the Medicare and Medi-Cal report. The following billing changes took effect on October 1 for Medicare.

1. Several ICD-9-CM code changes affecting ESRD.
2. Condition code 59 became effective for reporting home facilities to the fiscal intermediaries.
3. In the past, for UGS, it has been possible to bill both the 50 cent administration fee as well as IV administration for intravenous drugs administered in dialysis. Effective October 1, A4913 (IV administration) cannot be billed with the 50 cent fee-use one or the other.

**Medi-Cal:**

Cindy is working with Kelly Wright of Amgen assembling claims to send to Dr. Farber so that Medi-Cal will be able to visualize what the changes will look like under the new EPO reimbursement plan. A follow up meeting has been scheduled by Kelly with Dr. Farber on 10/19/2004. Kelly will let us know the outcome.

Sensipar has been approved for the Medi-Cal formulary.

**Membership Report:** Mike Paget reported for Sandra Wilson. There are 182 Facility memberships with six facilities not renewing. There are 10 corporate members. There are six corporate memberships not renewed, two of which are renewing and one is being worked on. There are 14 Individual members and 15 Physician members.

**CDC Program Committee:** Mary Brattich reported as follows. Mary will work with Lori Hartwell regarding her proposed Saturday afternoon meeting.

The committee is discussing potential speakers and looking for fresh topics and will appreciate recommendations. Mary stated that the approach will be to look for good speakers to cover interesting topics instead of choosing the topic, then trying to find a speaker. John De Palma recommended that we try to get Dr. Mark McClellan, with CMS, as a speaker for our annual meeting. Lori Hartwell suggested that patients be included in the CDC meetings and further recommended the CDC encourage provider and patient groups to support one another's needs.

The 4<sup>th</sup> Northern California Education Seminar will be held at the Park Plaza Hotel on November 19, 200. Meeting flyers/registration forms are being emailed to the membership and are available on the CDC web site at: [http://www.caldialysis.org/next\\_meeting.htm](http://www.caldialysis.org/next_meeting.htm).

**Other Business:**

- 1 Flu Vaccine. On October 7, the Centers for Disease Control and Prevention added kidney disease as a priority for receipt of the vaccine. Go to [www.cdc.gov/flu](http://www.cdc.gov/flu) for further information.
2. The following dates were proposed and approved for the 2005 CDC Board Meeting calendar:

January 19	Sacramento (Wednesday)
February 18	Los Angeles
March	no meeting
April 7-9	Annual Meeting in Palm Springs
May 20	Los Angeles
June 17	Oakland
July	no meeting
August 19	Los Angeles
September 16	Oakland
October 21	Los Angeles
November 18	Northern California Educational Seminar
December	no meeting

**Next Open Board Meeting and Educational Seminar:  
November 19, 2004 Oakland**

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

[http://www.caldialysis.org/next\\_meeting.htm](http://www.caldialysis.org/next_meeting.htm)