

CDC Report

Friday January 13 , 2006

Los Angeles, California

Legislative Report: Michael Arnold delivered the legislative report.

The Governor claims to be a changed person as a result of his resounding defeat around the measures he supported in the November special election. He has stated that he knows he needs to listen to the people. The budget proposal is out but the “real” budget is actually released as the “May revise.” The budget proposal included significant money for the Department of Health Services (DHS) to add field surveyors in the Licensing and Certification area.

The most important issue for the ESRD community is the 5% cut in Medi-Cal reimbursement. The rate cut became effective January 1, 2006. Apparently there has been some confusion at EDS that has resulted in dialysis providers being paid without the reduction. California State Senator Duchenev is introducing a bill (SB912) that would repeal the rate cut. Michael Arnold is hoping that this bill will be introduced before EDS realizes their mistake. There was, however, some discussion that providers might be asked to reimburse the inadvertent overpayment when the error is discovered. A San Francisco radio station interviewed Dr. Tom Paukert on the topic of the Medi-Cal rate cut. Michael Arnold distributed a list of ten points of argument for use in letter writing in support of SB912 and also distributed a sample letter that might be used. He encouraged all present to write and call in support of repealing the Medi-Cal rate cut and stated that he is cautiously optimistic that we may have success in this endeavor.

Michael also mentioned that CDC should consider once again sponsoring an Assembly Concurrent Resolution for California Chronic Kidney Disease Education Week. He said he would bring this back up at the February meeting in Oakland. He and Peter Crooks will work together to draft appropriate language for the Resolution.

Regulatory Report: The regulatory report was delivered jointly by Karen Dyer and Michael Arnold. The first item for discussion was proposed language for dialysis in long term care facilities. There was lengthy discussion regarding the 21-page document that had been distributed electronically in advance of the meeting. The Board members present generally agreed that there are two different issues at hand and that the language, as drafted, did not reflect the Board’s priorities. At the conclusion of the discussion, Dr. Peter Crooks summarized the priorities of those present as follows.

1. The needs of patients who are unable to be discharged from acute care due to the acuity of their illness and their special needs that would preclude treatment in outpatient dialysis facilities.
2. The issue regarding fair reimbursement for the care of those patients as described above. And
3. An expression of empathy for those who live in skilled- or long-term care facilities, but are physically able to dialyze in an outpatient setting. This group has a lower priority for CDC in terms of attempting a regulatory remedy.

There being no quorum, Dr. Crooks asked for a show of Board member hands as to whether the above listed priority described their wishes and all present so indicated. Michael Arnold will use section one of the original document which identified the need for relief for those who cannot be transported and therefore remain in acute care unnecessarily. He will then work with Jennifer Nazarko of DaVita to develop language that will appropriately address the issue as a spot bill and bring it back to the Board in February in Oakland for approval. All new bills must be submitted in preliminary form by January 27th. The following language, or the equivalent, was suggested. *The provisions of this bill will apply to patients who have been determined to be unsafe for transport by their primary Nephrologist including but not limited to: Patients who are supine and cannot sit for a length of time, Patients who are ventilator dependent, Patients who have tracheotomy and require suctioning, Patients with mental status issues requiring restraint.*

Tom Paukert suggested that while the legislative process is moving forward, members of the Board visit the DHS for their input/comfort level.

The second regulatory issue discussed concerned a possible bill to be introduced that would make available the services of an outside approved organization for the purpose of initial licensure. Such an organization would be approved by the DHS. Those Board members present felt that since the proposed budget includes funds for new surveyors, perhaps the problems around timeliness of initial licensure surveys will improve. Additionally, the Board present had a number of concerns about bringing a 3rd survey agency into our community. NRAA is meeting this month with CMS regarding dialysis in long-term care and Jan Anderson agreed to discuss the various issues of CDC around these patients with her NRAA contacts in hope that there might be some resolution. She was encouraged to do so. Several people present at the meeting stated they would like to have initial licensure surveys be elevated to a Tier 1 status by CMS.

Network 18 Report:

Fistula First Project: Network 18 AVF rate is 44.7%; the US rate now exceeds 40%

Project will continue as the CMS FF Breakthrough Initiative with a 66% AVF goal by June 2009

Department of Health Services surveyors are fully conversant with FF and vascular access management could receive increased scrutiny.

Dialysis Patient-provider Conflict: DPC is a CMS-approved project to provide additional conflict resolution tools to dialysis facilities. Network 18 is now rolling out the DPC project and every facility will receive a complete DPC packet. The materials are extensive and Network 18 staff will offer guidance on the key information, its use and training approaches. Contact Cecilia Torres at Network 18 for further information and assistance

Involuntary Discharge Reporting: The Monthly Patient Activity Report now includes specific reporting of patients who are involuntarily discharged from the dialysis facility. Initial review of Patient Events, Grievance Contacts and other data suggests under-reporting of involuntary discharges. The Data Department will be following up on this issue during the course of the upcoming Annual Facility Survey

Other: Network contract documents will be released soon; some contracts for the next 3-year cycle are expected to be competitively bid.

Network 18 and a coalition of 20+ partners continues work on a new website that will serve as an information clearinghouse for renal patient and professional education/information. The URL is kidney411.org and should be operational in March in conjunction with National Kidney Awareness month.

Network 18 intends to once again partner with NKF-Southern California for an education conference. The Network Annual Meeting and NKF Scientific Symposium are scheduled for Friday and Saturday, September 29-30 at a Disneyland Hotel

NRAA Report: Cindy LaMunyon reminded attendees that the NRAA is partnering with CDC in Palm Springs for the NRAA Spring Meeting and the CDC Annual Meeting. Cindy also mentioned that Tony Messana is meeting with Herb Kuhn Director, Center for Medicare Management, CMS regarding the issue of delays in initial licensure for new dialysis facilities. This seems to be an issue in some states in addition to California.

Medicare/ Medi-Cal Report: Cindy LaMunyon reported that the composite rate changes were to be effective January 1, 2006. The Fiscal Intermediaries (FIs) were not required to send up-date letters to providers and some have but some have not. The 1.6% rate increase is slated to be paid beginning February 1 and Cindy states that the community believes it will be retroactive to the January 1 date.

Hemoglobin/hematocrit reporting requirements changed effective January 1, 2006. The “most recent reading taken before the start of the billing period” must be reported on the claim. Cindy stated that CMS should coordinate with the FIs in order to define the “billing period.” For some providers that is the first to last date of the month, and for others, it is the first treatment of the month to the last treatment of the month.

HMA changes will become effective on April 1, 2006. These will be beneficial to the ESRD

community with hemoglobin levels allowed up to 13 and hematocrit to 39. However, if these levels are exceeded, a 25% reduction in EPO dose is required. This dose reduction must be accompanied by a modifier "GS" on the bill so the system will recognize the reduction. If the provider does not make the dose adjustment, the FI will automatically reduce reimbursement by 25%. A higher hemoglobin/hematocrit level as required by medical necessity may be approved but we need clarification regarding this issue. Finally, Cindy reported that any EPO dose of greater than 500,000 units in a month will be returned to the provider as an "unbelievable error." NRAA is working with CMS for possible exceptions to this rule.

Case mix adjustor 2006. A change has been made in the case mix adjustment for bilateral amputees. CMS now wishes to have pre-amputation height and weight (weight by calculation) included with billing.

Drugs will be paid at ASP (average selling price) plus 6%. NRAA up-dates its web site for current ASP rates, so NRAA members can go there for information.

Q-codes have been replaced by J-codes effective January 1, 2006. There has been a code change for IV iron dextran to J 1751 and J 1752.

There have also been cost reporting changes.

Medicare Part D. Peter Crooks reported that the Medicare+ Choice plan can now be restored if a patient accidentally disenrolls.

Medi-Cal

Kelly Wright with Amgen told the Board that effective January 1, 2006 Medi-Cal recognizes the ICD-9-CM code 585.6 for ESRD. There has been a problem with Medi-Cal not getting the new code into its computers; however, effective this month, the old code 585 will no longer be reimbursed. She also stated that every claim must state in box 84 that the patient has ESRD (despite the fact that this is duplicative). Sheryl Paukert has developed a "best practice" in fitting all necessary data into box 84 as follows:

HCT: 36 I-31-06 Pt: ESRD Wt: 86 Kg

The data are samples, but the fields as presented above will fit into the box and meet the reporting requirements.

Secondary Claims: Cindy reported that filing requirements changed October 24, 2005. In the past, a local code was used and Medi-Cal now requires a line-item using national codes. All paper bills must use the PC Print program (available from the UGS web site). The standard secondary claim with national codes will only accept PC Print for hard copy bills. The provider record system must match crossover claims. Cindy stated that it is possible that a Medi-Cal number is different from the FI number. Currently only UGS and Mutual of Omaha have required this change.

CDC Program Committee: Peter Crooks reported that the Annual Meeting is scheduled for April 27-29, 2006 at the Wyndham Palm Springs Hotel. He stated that the committee is working hard to finalize the program. This year the Program Committee plans to replace the panel of CMO experts with a panel of CEO experts. Home dialysis will be covered both in the NRAA meeting and the CDC meeting but from different perspectives.

Other Business:

1. The Oakland meeting in February will be held at the Hilton Airport Hotel instead of the Park Plaza Hotel.

Next Open Board Meeting

February 17, 2006 ~ Oakland

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

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