

CDC Report

Friday November 18 , 2005

Oakland California

Legislative Report: Michael Arnold delivered the legislative report.

The Governor suffered a set back in the recent special election as none of his initiatives passed. At this time it is unclear what this will mean for the 2006 legislative session.

There is talk in Sacramento of a “mega-bond” of approximately \$50 billion for infrastructure. The Governor has indicated that he would support such a bond.

The legislative analyst, Elizabeth Hill, issued the fiscal outlook for the State for the period 2006-07 through 2009-10 this past week. Revenue improved for the State this past year, but it is unclear whether this increased revenue will continue. The analyst predicted income of \$91.9 billion in 2006-07 with expenses at \$95.1 billion. The resulting shortfall is referred to as a structural deficit. Michael stated that California will continue to experience a \$4 billion structural deficit due to required spending. He stated that we will probably be OK through 2008 but that if economic problems arise, the outcome is unclear. Our budget deficit is in better shape than previously anticipated.

Stan Rosenstein, Deputy Director for Medi-Cal services, has stated that if the court stay on the 2003 Medi-Cal rate cut is lifted, the State will move immediately to impose a 5% rate cut for the 2006 fiscal year, effective January 1, 2006.

2006 is a regular election year and all members of the Assembly and 50% of the Senate will be up for re-election. This could be the year of the biggest turnover ever due to term limits. Michael encourages donations, especially by companies, to the CDC PAC so that we can support those members who are friendly to our needs.

Michael reminded those present that his “Legislative Status Report” is on-line at the CDC web site as well as an annual legislative summary. Anyone wishing to may “click” on a bill mentioned in the report and will be taken directly to that piece of legislation.

Regulatory Report: The regulatory report was delivered by Michael Arnold.

LVN issues. Michael reported that there is essentially nothing new to report. Clarification of some issues resulted from the court case brought by CNA against the BVNPT. LVNs are not allowed to administer heparin or subcutaneous anesthetic. CDC will probably just allow the issue to remain status quo at this time.

Licensing and certification. There are two areas of interest at this time for the CDC, The first is licensing and Medicare certification visits for new facilities. Difficulties continue, principally in Southern California, but also moving into Northern California. Michael stated that if members are experiencing difficulty in getting timely visits from the Department of Health Services (DHS), they should notify him and he will try to move the process along via his contacts in the State DHS. The second area of current concern deals with dialysis in non-acute care facilities. Michael requested that a committee be convened to draft a plan for the direction CDC would like to take with this issue. There is a “Home Dialysis Agency” law on the books, but there has never been such an agency. We could make use of the existing regulations or we could draft a new one. Michael requests that this committee respond back to the Board at the January meeting. At the last Board meeting, CDC decided that the best approach to this issue is one of honesty. This should be dealt with as assisted dialysis and not as “home” dialysis indicating that the patient would be participating in the procedure. Judith Filangeri moved that a subcommittee be formed composed of Board members and interested CDC members to develop a position statement regarding dialysis in non-acute care facilities. She also moved that this committee develop some specifics for proposed legislation. The motion was seconded and passed.

Physician Fee Schedule 2006. John Moran, MD, reported on the final fee schedule. He stated that not much has changed. Amgen and other drug manufacturers will report their Average Selling Price (ASP) within 30 days of the quarter-end. This will result in a catch-up period for providers if there is a price increase. CMS maintained the geographic wage index with the result that California providers will get a higher rate. There will be a 4-year phase in for the increase so providers will not receive the full benefit of the geographic wage index until 2009. For those areas losing revenue, the phase in will be 2 years and the floor will then be re-visited. A copy of the Kidney Care Partners' analysis was distributed to those attending. One other issue Dr. Moran discussed was that CMS is adopting a formula for adjusting weight following bi-lateral below the knee amputations.

NRAA Report: Mike Paget reported that Medicare has published a final policy for reimbursement for EPO and Aranesp. Effective April 1, 2006, a maximum hematocrit or hemoglobin X3 level will be 39. At this level, providers will be required to reduce the EPO dose by 25% or Medicare will pay only 75% of the billed drug.

Sheryle Paukert discussed those patients who have medical diagnoses that require a higher hematocrit level (for example, primary pulmonary hypertension). Although the physicians present at the meeting agreed that these diagnoses occur infrequently, the Board requested that Dr. Carol DiRaimondo contact Art Lurvey, MD, with UGS and ask how the fiscal intermediary intends to handle those outliers. She will request information for CDC regarding the implementation guidelines for the policy.

ESRD Network Up-Date: Arlene Sukolsky presented the Network #17 report.

The Network's Annual Meeting followed today's Board meeting. The Network #17 Strategic Coalition met in October and focused on Advance Health Care Directives. Arlene thanked Mike Paget for participating. Three work groups were formed: Policy, Recognition and Education, and Information.

The CMS Fistula First goal for AVF placement will be raised to 66% for the next Network contracts. CMS will also be requiring the Networks to participate in disaster preparedness activities as a part of the new contract.

The Forum of Networks' project, Decreasing Provider/Patient Conflict is underway. The Network will be hosting a Webex training session on December 1, 2005.

Medicare/ Medi-Cal Report: Kelly Wright reported that the following two issues were in the Medi-Cal provider bulletin this past week. Medi-Cal will not have the new ICD-9-CM codes for ESRD in their system until January 1, 2006. Providers should continue to use the old 585 code until then for Medi-Cal. Secondly, automatic electronic crossover will be available immediately for Medi-Cal patients for UGS and Mutual of Omaha.

Membership Report: Nancy Ann James reported that there has been no membership change since last month. She further stated that CDC hopes to establish a relationship with the new company, Renal Advantage.

CDC Program Committee: Peter Crooks reported for Mary Brattich that the Annual Meeting is scheduled for April 27-29, 2006 at the Wyndham Hotel in Palm Springs. The meeting will be held in conjunction with the NRAA Annual Spring Meeting in Palm Springs. The meeting theme is "Partnering for Change."

The program will include the CEOs for the large dialysis organizations this year instead of the CMOs speaking as a panel. Gail Wick has been invited back. Arlene Sukolsky will speak on Disaster Preparedness due to Hurricane Katrina. There will also be presentations on home dialysis and frequent dialysis. Carol DiRaimondo also suggested that Art Lurvey be asked to speak again.

Other Business:

The meeting dates for next year's Board meetings were presented for approval. The following dates were approved.

January 13, 2006	~ Los Angeles
February 17, 2006	~ Oakland
April 27-29, 2006	~ Annual Meeting Palm Springs
May 19, 2006	~ Oakland
June 16, 2006	~ Los Angeles
August 18, 2006	~ Oakland
September 15, 2006	~ Los Angeles
October 20, 2006	~ Oakland
November 17, 2006	~ Los Angeles

There are no meetings scheduled for March, July and December 2006.

Next Open Board Meeting

January 13, 2006 ~ Los Angeles

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

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