

CDC Report

Wednesday January 19 , 2005

Sacramento, California

This CDC Report is from the short Board Meeting held in Sacramento as part of our Annual Legislative Day

Legislative Report & Budget Update: Michael Arnold and Kristi Foy presented the legislative up-date, including an article entitled, *Healthcare changes tweaked*, from *The Sacramento Bee* of January 18, 2005, a Medi-Cal redesign fact sheet, and a sheet of suggested talking points for those members planning to meet with legislators later that afternoon.

Special Session: The Governor has called a special session to review the Governor's four major reforms: (1) Budget Reform – if the state goes over budget, then automatic across-the-board cuts will go into effect, (2) Education Reform – merit-based pay for teachers, (3) Public Employee Pension Reform, and (4) Re-apportionment – to try to increase the number of political moderates in government. Mike explained that the current system with all but guaranteed electoral districts encourages more rigid party-liners of both Democrats and Republicans. Any legislation that comes out of this possible special session will have an "X" appended to its number. The Governor has also left open the possibility of having a special election to get public support on these issues. The real budget action is not likely to take place before the May 2005 revision. Mike's office follows bills that are likely to be of interest to us, brings them to the attention of CDC, which determines the degree to which we need his office to try to intervene on our behalf.

Medi-Cal Redesign: Medi-Cal Redesign initiatives look to increase access to care and improve health outcomes through managed care expansion. There are numerous provisions under discussion, including stabilizing the financing of California's Safety Net hospitals, modifying the Medi-Cal benefit package, particularly limiting dental services for adults, and beneficiary cost sharing, which is of particular concern to us. Key here is the proposal that Medi-Cal beneficiaries with incomes above the federal poverty level will pay a premium to maintain their Medi-Cal coverage. Premiums will be \$4 per month for each child under 21 and \$10 per month for adults, with a max of \$27 per month per family. There are currently 3 managed care delivery models in the state, the Two-Plan, the County Organized Health Systems plan, and the Geographic Managed Care Plan. The redesign will look to expand the Geographic Managed Care Plan in areas where managed care is available and for groups enrolled in managed care. Seniors and persons with disabilities are population groups included in this expansion. When fully implemented, the "Aged, Blind and Disabled" population, currently outside the system, will no longer be excluded.

There was extensive discussion of how the current plans are doing in the various counties. All agreed that some sort of special case management for ESRD patients would help ensure appropriate care. More research is needed to determine how best to communicate this.

Special Speaker:

Alan Nakanishi, MD, Assembly Member. Dr. Nakanishi spoke on how best to ensure that your views are heard by your legislators. He strongly supported developing a mutually beneficial relationship.

NRAA Report & Medicare Report

Update January 28, 2005 - The Conditions of Coverage and the Conditions of Participation that were published today by the Centers for Medicare and Medicaid Services (CMS) at: <http://www.cms.hhs.gov/cop/> You can access the language of the regulations by clicking on the links provided in the CMS release. The regulations will not be published in the Federal Register until February 4, 2005.

Cindy LaMunyon reported that MedPAC is recommending a 2.2% increase in the composite rate.

NRAA will be offering 4 Regional Workshops on the Medicare Modernization Act in several cities to help people understand the impact of the act. As of 1/1/05, the composite rate increased 1.6% and a single 8.7% composite rate increase was also added to offset the decrease in medication reimbursement. On 4/1/05, a further 0.9116 decrease in the composite rate will take effect to keep the impact budget neutral for the federal government. Medications are now reimbursed in one of two new ways, depending on the medication. It is beyond the scope of these minutes to detail all the changes taking place with MMA. We note, however, that on as of 4/1/05 treatments, payment will be made on the adjusted basis of age, BMI and BSA. Height, weight and age thus need to be on the bill as of treatments billed in January. Cindy reported that the weight needs to be the pre-dialysis weight on the last treatment of the month. Height is to be taken at the same time (and is a post-amputee height). In the medication follow up, Cindy noted that there has been a correction made for Engerix (Hepatitis B), Code 90747. This should real \$113.91 for 40 mgs. Cindy recommends claims be carefully followed to assure accuracy.

Medi-Cal Report

Cindy reported that CDC has continued to work with Dr. Farber to get the EPO policy passed.

Regulatory Report

Sue Vogel reported that Kidney Care Partners continues to work on a ESRD Modernization Act, including a yearly composite rate update and home dialysis changes.

Membership Report: Mike Paget reported that membership notices went out in December. Given the large number of new guests present, he reiterated that in the case of the larger dialysis providers such as DaVita, if the parent organization is a member, all employees are automatically members. If any member wants to be included in the e-mailings, Mike encouraged them to email him at mail@caldialysis.org and ask to be put on the mailing list.

Other Business

CDC received an email from UCSF regarding dialysis patients in SNFs. Discussion was tabled for the next meeting.

Next Open Board Meeting February 18, 2005 Los Angeles

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

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