

CDC Report

Friday May 20 , 2005

Los Angeles, California

Legislative Report: Michael Arnold presented the following update from Sacramento. The budget is being closed out by the Senate and Assembly subcommittees today and Michael presented his report out of the normal order of the agenda so that he could get back to Sacramento for the process. The issue of Medi-Cal managed care expansion will probably be subject to further review; however, both houses have rejected the Governor's plan to increase the out of pocket expense for Medi-Cal recipients. Due to a rebound in the state's economy, there is less stress on the budget process. The education community feels that the Governor has betrayed their trust in not following through with election promises.

The Governor has put the following initiatives on the November ballot: reapportionment, budget reform and teacher tenure. The affected groups have formed a coalition and are calling themselves the Alliance for a Better California (ABC). This coalition has put its own competing initiatives on the ballot.

Michael distributed the current Legislative Status Report. (A copy of which is available on the CDC web site at: http://www.caldialysis.org/status_report.htm). He suggested that CDC especially watch the several bills around natural death. He recommended that we review the bills, but that, unless it proves necessary for our patients, we should stay out of the debates.

Regulatory Report: Karen Dyer reviewed several regulatory issues of interest to the community. *New Facility Licensure.* This issue was addressed by CDC last year, but has not been resolved. Mike Paget stated that DHS will potentially face at least 25 change of ownership licensure /certification visits in California as a result of the DaVita purchase of Gambro. Karen stated that Innovative Dialysis Systems has a new facility awaiting an initial licensure visit in Canyon Country and that she understands there are two DaVita facilities in Southern California that are also complete and awaiting a licensure visit. CDC has been informed that the waiting period can be up to one year for new facility licensure as a result of the tier three status of ESRD in the regulatory review process. Michael Arnold will make an appointment with Brenda Klutz of the state Health Department for himself and Karen.

Non-Licensure in free-standing home dialysis training facilities. CDC was informed last Fall by surveyors from the Contra Costa office of the state Health Department that California is no longer licensing free-standing home dialysis training facilities. Michael Arnold confirmed this with Brenda Klutz, but has been unable to obtain any kind of written acknowledgment of the non-licensure. Karen reported that at one of the Innovative Dialysis P.D. programs, managed care insurers have been requesting copies of the most current license. Karen stated that she suggested the facility send a copy of their Medical Provider letter, but that it would be very nice for those facilities to receive something in writing from the state. Michael Arnold suggested that we add this item to the list for Ms. Klutz.

Dialysis in Skilled Nursing Facilities (SNF). A member of CDC has requested assistance from CDC in obtaining permission to provide home dialysis in a SNF setting. The Board was unclear as to what the member's exact proposal is and requested that Mike Paget get back to him and ask that he attend a future Board meeting to clarify.

Geographic Wage Index- California. Rosemary Fox, of Satellite Dialysis, sent a message to Mike Paget stating that she had visited the offices of Barbara Boxer and Dianne Feinstein. The Senators' assistants recommended that CDC present their views on geographic wage index to the Senators. They felt that if the community supports the measure, the Senators would be able to endorse it. Sue Vogel has previously established meetings scheduled with both Senators and will set forth the request from CDC.

NRAA Report: Mike Paget delivered a report for the NRAA. NRAA is currently working to get as many responses as possible in support of the Kidney Care Quality Act of 2005. They are requesting as many contacts as possible with local legislators. There is an easy to use letter on the www.nraa.org web site that simply requires a name and zip code to send. Additional letters are available on the www.annanurse.com and www.homedialysis.org sites. The latter site is for patient use. The purpose of the letters is to obtain co-sponsorship from legislators for the Act. One result of the Act would be an annual market-basket adjustment for dialysis providers. MedPAC has recommended a 2.5% increase in the composite rate again this year.

There are new CMS rules around cost reporting for ESRD. For facilities with calendar fiscal year-end, the cost reports are due this month. The reports must be submitted in hard copy as well as an Electronic Cost Report (ECR). ESRD facilities are required to submit the ECR and a print image (PI) file on a diskette to their fiscal intermediary (FI) in addition to the hard copy. The hard copy 2004 cost report will be considered the official report but the 2004 ECR will be considered the official copy. The FI has the authority to withhold interim payments in the absence of the ECR, but CMS is instructing FIs not to withhold at this time.

Network Report: Doug Marsh reported as follows.

Fistula First. Network #18 is doing well in achieving goals. The New England, New York, and four Western Networks are achieving the highest fistula rates in the country. Network #17 is especially good. The focus on encouraging surgeons for fistula placement has been quite successful. On September 30, Network #18 will host a clinical conference for surgeons and interventional radiologists on this topic. CMS sees *Fistula First* as an enormous success. It is the first breakthrough initiative for the CMS Quality Council and the goal for the fistula rate by June 2009 is 66%. CMS is considering necessary system changes that will support reaching the new goals.

Dr. Barry Straube, formerly Medical Director for Region IX in San Francisco, is the interim Director for the Office of Clinical Standards and Quality (OCSQ) at CMS.

USRDS is conducting a new study and will randomly select 250 dialysis facilities around the country. The study will be voluntary and address the subject of nutrition and quality of life in incident ESRD patients.

A Project for Partnerships and Coalitions is being funded by CMS. Network #18 is the first in the country to get a coalition going. There are a number of patient and provider representatives invited and the topic for the coalition will be patient-related (such as advance directives, emergency preparedness) and the coalition will determine the topic.

Data Report for 2004 is now complete for Network #18. There was a net gain of 900 patients with 1000 new hemodialysis patients and a loss of 100 peritoneal dialysis patients. Peter Crooks stated that Kaiser has developed a new program called "home first" that will attempt to double the Kaiser PD population by 2006. There has been a decrease in CAPD patients while the CCPD patient group seems stable.

Network #18 passed their NEAT evaluation by CMS and has had their contract renewed for another year.

Medicare/ Medi-Cal Report: Cindy LaMunyon was absent from the CDC meeting due to a mandatory DaVita meeting. Yvette Costa from Amgen reported that the American Medical Association has proposed a change in ICD-9-CM codes around ESRD and Chronic Kidney Disease. The proposed code changes are located in the May 4, 2005 Federal Register, page 23305. Assuming there are no changes in the request, the ESRD code will change from 585 to 585.6 effective October 1, 2005.

On May 13, the Medi-Cal EPO policy will change, incorporating the issues we have requested over the past year or so. Judith Filangeri commented that, although she understands that this may be an issue of limited interest for the community as a whole, she is distressed that Procrit® is listed as reimbursable only for CKD in the Medi-Cal change. She obtains Procrit® via her hospital pharmacy (with no J&J marketing) and would not like to be limited by Medi-Cal in the use of this drug which is equivalent to Epogen. Cindy LaMunyon and Kelly Wright of Amgen are approaching Dr. Farber on this issue.

Membership Report: Mike Paget reported for Sandra Wilson. Large Dialysis Organizations (LDO) memberships total 130 for 2005 (Gambro has not renewed). 49 independent facilities have renewed and 11 have not. Mike is following up with the non-renewing facilities. Six and one-half corporations have not renewed. Mike is also following up with these.

CDC Program Committee: Mary Brattich reported that this year's Annual Meeting generated the highest number of both attendees and exhibitors in years. The PAC auction netted about the same amount as last year. Mary suggests splitting the PAC auction off from the Annual Meeting Planning due to the scope of the Annual Meeting. Volunteers will be solicited to be responsible for the PAC auction. Next year the Spring NRAA meeting will be held on Thursday prior to the CDC meeting on Friday and Saturday morning. The dates for the 2006 Annual Meeting are April 27 - 29, 2006.

Other Business

1. Mike Paget distributed copies of both the CDC Board of Directors Roster and of the Draft Committees for 2005-06. Peter Crooks will contact people and request that they consider if they choose to participate in the committees to which they have been assigned. Peter further encouraged that the committees actually meet, at the very least by phone conference.
2. Mary Brattich told the Board that the lawsuit between the CNA and the LVN board is heating up again. It was the commonly held belief that the lawsuit had been put to rest but apparently not so. Formerly, there were committees for both the LVN issues and the PCT issues but Mike Paget suggests that unless these become time consuming on their own, they both be assigned to the Regulatory Committee. Committees will be voted upon at the June meeting in Oakland.

Next Open Board Meeting

June 17, 2005 Oakland

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

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