



**This report was from a brief Board Meeting held during the Annual Meeting in Palm Springs**

#### Legislative Report

Michael Arnold delivered the legislative report.

The State will have an additional \$1.5 billion unexpected dollars in revenue. The economy did better last year and income tax receipts are increased. California will still have a \$2.5 billion structural deficit. Michael stated that it is not likely that there will be any proposals for reduction in provider reimbursement. CDC was successful in working with the coalition to repeal the 5% Medi-Cal rate cuts for 2006. The rate reduction became effective in January 2006. The repeal became effective on March 1, 2006. Unfortunately, the 5% reduction between January First and March First will not be reimbursed, but going forward the 5% has been repealed.

141 new positions with the Department of Health Services (DHS) as proposed in the Governor's budget have been approved. Brenda Klutz, DHS Deputy Director, stated that it is the intent of DHS that providers will not have to wait more than 30 days for licensure visits after positions are filled.

Michael distributed the legislative status report to the Board and stated he will keep the board up dated as necessary. He also stated that the CDC PAC contributions have been very small and almost not worth collecting. The current balance is \$10,101.55. Michael would like to see increased contributions.

#### Regulatory Report

Karen Dyer delivered the regulatory report. Sue Vogel also provided input regarding the LVN issue in California. She stated that the BRN met in December and the LVN issue was tabled. We will keep watch on this issue. Satellite Dialysis has requested CDC input regarding the I1.2 building code issues. They will be added to the next CDC agenda on this issue.

Regarding the Long-Term Care dialysis issues, Peter Crooks made several suggestions. He stated that he would like to re-visit the issue in terms of drafting legislation that might be presented next year. He suggested convening a phone meeting with interested parties for the purpose of identifying a process. Peter further suggested that the legislation might address licensing of mobile dialysis services with the specific identification of the focus of care and including a statement that these services would only be provided in licensed facilities. He would like to begin to work toward the shape of such legislation now. He also stated that he has copies of the proposed project on the delivery of dialysis in Long-Term Care Facilities as well as the feedback form for the same. He agreed to send copies of both out to the Board.

There was discussion regarding the required 25% reduction in EPO dosing under the new Epogen Monitoring Policy (EMP). Since it is unclear as to how the fiscal intermediaries (FI) are going to handle the required audit for hematocrit levels greater than 39%, the Board decided to invite Dr. Arthur Lurvey, Medical Director for UGS, to our next local meeting, for his interpretation. Carol DiRaimondo will invite Dr. Lurvey.

Karen Dyer addressed two additional issues resulting from recent federal regulations. The first is that, under the regulations of Medicare Part D, any dialysis provider that contracts with a managed care organization that is also a Part D prescription provider, has the same obligation for record retention as the Part D Plan. That is, dialysis providers that have such contracts will now be required to maintain medical records for those patients for a period no less than ten years. Karen confirmed this requirement with the Medicare Program Integrity Group at the recent Health Care Compliance Association meeting in Las Vegas. She also discussed the issue of new requirements as a result of the Deficit Reduction Act of 2005 (DRA) signed into law in February 2006. There will be significant new requirements around training of staff and mandatory Corporate Compliance Plans for any provider that bills the Medi-Cal (Medicaid) system \$5 million or more per year. Additionally, states are being encouraged in a fiscal sense to have their own False Claims Act (FCA). California is one of 15 states that already have their own FCA. And, 100 new positions have been added at the federal level for enforcement of FCA regarding the Medicaid programs. For more information on DRA, reference Pub. Law 109-171 (2006), Chapter 3, Section 6032 of the DRA.

 NRAA Report

NRAA is having its Spring Meeting at this time in conjunction with CDC.

 Medicare/Medi-Cal Report

No report. With the exception of Nancy Ann James, all DaVita employees are attending a DaVita National Meeting that coincided with CDC.

 KCP Report

Sue Vogel reported that Pay for Performance (P4P) is the current focus of the KCP. The three primary areas that are currently being addressed are care, quality of life, and pediatrics. There is a meeting next week in Washington D.C. Sue stated that she understood the Board wished to open the position of KCP representative to any interested party and encouraged anyone who would like to consider taking the position to contact her.

 Program Report

The Board thanked Carol DiRaimondo for her efforts in securing continuing medical education credits for physicians attending the meeting. Nancy James will check with DaVita to see if she can provide the dates for future meetings to Mike Paget to prevent future meeting conflicts such as the current one. Many thanks to Nancy Ann James and to Lori Hartwell for their work on the CDC Silent Auction that will support the CDC PAC.

 Next Open Board Meeting

May 19, 2006 ~ 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)