

CDC Report

Friday August 18, 2006

Oakland, California

Legislative Report

Michael Arnold delivered the legislative report.

He stated that this is the most “dangerous” time of the 2-year legislative session. During this period which is close to the legislative session end, new bills tend to “appear” and existing bills are altered. He and his staff will remain vigilant to assure that CDC is well represented.

There was a hearing in Sacramento this week on the topic of transplantation due, in part, to the Kaiser Northern California transplant debacle in addition to UC Irvine and others. The entire issue of transplantation is now under legislative scrutiny. Assemblywoman Lois Wolk (D, Davis) contacted Michael stating she wishes to sponsor legislation regarding dialysis next year.

Michael distributed a copy of the current legislative status report, which can also be found on our website at: http://www.caldialysis.org/LSR/LSR_8-22-06.htm.

SB 912, the bill repealing the 5% MediCal rate cut is still alive; Michael stated that we need to be watchful to assure that these funds are not pulled back to pay for other healthcare coverage that is on the Governor’s agenda if he is re-elected.

AB1807 is the budget trailer bill that covers many areas of the recently approved budget. One item of interest to our community is that this bill deleted the fee for certified hemodialysis technicians renewal of their certification. This is effective immediately and written notification was sent to all dialysis facilities in the state. The reason for rescinding the fee was that the collection process costs more than the fees collected. The implementation language for the Deficit Reduction Act of 2005 (DRA) is also included in this bill. There was additionally a change in the license renewal fee for hemodialysis facilities to a flat \$1500 per year. The technician certification renewal fees are now covered under this global fee. Mike Paget and Karen Dyer will report back to the Board regarding changes in federal certification that would require extra fees for new facility surveys and for complaint surveys when the complaint is upheld.

Michael Arnold reported that the time required for licensing and certification visits has not yet improved. According to Ann Robar, she has been told that new dialysis surveyors require two weeks training in the East then they have to go out as a second team member for nine months before they can do surveys on their own.

Darlene Rodgers, new Executive Director for Network #17, reported that the new Conditions for Coverage for Medicare are expected to be released in May of 2007. Following their publication in the *Federal Register*, there will be a 90 day period before the effective date.

NRAA Report

Mike Paget delivered the report for Cindy LaMunyon. Network #7 (Florida) has contracted with CMS to develop CROWN-Web (Consolidated Renal Operations in a Web-enabled Network) to replace SIMS and VISION. Since these programs have had many problems, the provider community will be pleased to have an effective replacement. Network #7 has requested that ESRD providers comment. The information was emailed to the membership on August 19th and can also be found on our website at: <http://www.caldialysis.org/news.htm>

Mike reported that letters have been sent to Dr. Barry Straube requesting clarification of the new EPO monitoring policy on home dialysis patients and other issues.

The proposed 2007 Medicare Physician Fee Schedule was released last week. Dialysis reimbursement is included in this schedule. There will be an update of the drug add-on to 15.2% (an increase of 0.6%). The geographic wage adjustment will continue the phase-in. The reimbursement for separately billable drugs at ASP plus 6 will continue, though under some conditions this might change. There will be no change in the case mix adjustment. The schedule will be posted in the Tuesday, August 22, *Federal Register* and comments are due by 10-10-2006.

The NRAA Annual Fall Conference will be held in Philadelphia, October 4-7, 2006.

Network Report

The report was delivered by Darlene Rodgers and Allison Kregness. Ms. Rodgers introduced herself and Network #15 which was awarded the contract for Network #17. Network #15 has been a CMS contractor for twenty-eight years. Ms. Rodgers stated that there were two Network contracts up for new bids this year and the second, New York, went to the Quality Improvement Organization (QIO). She asked that the Network #17 community please allow eight weeks or so for the new organization to become functional. Questions for the current Network can still be answered at the old phone contact number, 415-472-8590.

The new Network will be named the Western Pacific Renal Network (WPRN). Separate Network offices will be retained for the Northern California-Pacific Islands area and office space has been leased in Novato. There will be a separate Medical Review Board and the Board of Directors will be combined for the Network #17 and #15 areas and will have heavy Network #15 representation. Darlene Rodgers will be the Executive Director for both and Allison Kregness will be the Director of Operations for Network #17. Network #15 holds the contract for both Networks and Network #17 will now be a Limited Liability Partnership under Network #15.

Ms. Rodgers distributed copies of "Who Are We?" booklets describing Network #15 to those attending and stated they will be developing similar documents for the WPRN. She described the similarities between the two Networks. Network #15 has 260+ facilities with 15,000 patients and Network #17 has 180+ facilities with 17,000 patients. Both Networks have cultural diversity. Network #15 has the largest number of Native Americans in the country while Network #17 has the largest Asian/Hawaiian population in the country. The AV Fistula rate for #15 is 50% and for #17 is 48%.

The CMS statement of work (SCW) has changed and now includes 50% of the work in the quality improvement arena. The Fistula First program requires a 4% increase of fistulae in the next 12 months; other areas of importance are disaster preparedness, immunization, coalitions, and education for providers and patients.

Network #15 is also now involved with the new CROWN-Web initiative and the providers in Network #17 will be invited to participate as well. The Network also participates in the National Immunization Coalition and the National Disaster Preparedness Coalition. Ms. Rodgers stated that the area in Colorado where the Network #15 offices are located is relatively "disaster-free" and so can be of assistance to other Western Networks in the event of a disaster in their area. Networks #15, 16, 17 and 18 have committed to work together.

Medicare/Medi-Cal Report

Carol DiRaimondo, M.D. reported that CDC has the only nephrology representation on the Carrier Advisory Committee (CAC). She also reported that Medicare Administrative Contractors (MAC) will begin taking the place of the Part A Carriers and the Part B Fiscal Intermediaries effective in 2007. She provided the following highlights of the NHIC Carrier Advisory Committee Meeting held on July 19, 2006.

At the CAC members' request, information regarding new 2006 rules for Consultation E&M codes was presented (Rev. 788, Issued: 12-05-05, Effective: 01-01-2006, Implementation: 01-17-2006). A copy of

the revised rules with examples that meet criteria for billing consultative services has been sent to Mike Paget to post on the CDC Web site.

CERT (Carrier Error Reduction Testing) looks for three pieces of documentation for consults:

1. *Written* request for the consult by the primary care or other requesting physician.
2. A *written* consult report was done and *sent* to the requesting physician.
3. Documentation in consultant's chart that the consult was *requested*.

There has been a problem with NHIC denying claims for erythropoietin/darbepoietin injections in renal transplant patients. In order for this claim to be paid, a "CKD level" (585.1-->585.5) diagnostic code must be submitted, along with ICD codes for renal transplant and anemia.

Program Report

Peter Crooks reported that the 2007 CDC Annual Meeting will be held at the Hotel Zoso (the old Marquis Hotel) in Palm Springs April 26-28. He also stated that he would like for CDC to consider holding another joint meeting with the NRAA as last year's meeting was so successful for the CDC.

Next Open Board Meeting

September 15, 2006 ~ Los Angeles

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

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