



CDC Report

Board Meeting ~ Los Angeles

December 2006

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Below is a report from the California Dialysis Council's Board Meeting held December 1, 2006 in Los Angeles, California.

• **LEGISLATIVE REPORT**

Michael Arnold delivered the legislative report.

The newly elected Legislature comes to Sacramento on December 4 to begin the new session. There are 48 new Legislators. Michael distributed a list of the new legislators to those attending. The Governor has an aggressive agenda for the next year; his first priority is healthcare coverage for all Californians. The State Senate will have 25 Democrats and 15 Republicans and the Assembly will have 48 Democrats and 32 Republicans. There are 33 new Assembly members who have never served as Legislators. This number of new Legislators is the highest in the history of California. Michael stated that it is critical to have the new Legislators come to visit dialysis facilities so they will have a better understanding of our patients and their needs. He suggested that it might be a good time to have those visits before the end of the year.

Budget ~ According to Elizabeth Hill, legislative analyst, we face a \$5 billion deficit in addition to the on going structural deficit for the 2007/08 budget year. The Governor will continue trimming dollars from the State's expenditures. The new budget will be released on January 10, 2007, and at that time there will be some indication of his planned direction regarding cuts.

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• REGULATORY REPORT

The regulatory report was delivered jointly by Karen Dyer and Michael Arnold.

Karen Dyer read a summary of the recently released Office of the Inspector General (OIG) report regarding "Availability of Quality of Care Data in the Medicare End Stage Renal Disease Program." The report essentially faults CMS for collecting insufficient data regarding clinical performance measures in ESRD, and OIG recommends that CMS increase its efforts in this direction. Karen stated that this might mean ESRD providers will be expected to submit more data to the government in the near future. Dr. Arthur Lurvey, with UGS, stated that hospitals already have to report such data, but they are reimbursed a percentage of annual federal reimbursement for this reporting. He also stated that he believes this is in preparation for Pay for Performance initiatives. He further stated that many physicians are opposed to the Pay for Performance plan, but that the Renal Physicians Association is working with the government on this.

New Facility Survey ~ Michael Arnold stated that following the last meeting further discussion was held regarding the proposal that ESRD facilities pay an additional licensing fee for opening new programs with the contingency that the Health Departments show up for survey in a reasonable amount of time. Michael felt that the additional fees would wind up going into the large "pot" and that the ESRD facilities would not necessarily reap the benefit expected. Therefore, since it appears that new surveyors will be hired and trained, he decided that the additional licensure fee would not be pursued. Michael also stated that some providers have already reported relief in the new facility survey arena. He is trying to stay close to the Department and has met twice with the new Director, Kathleen Billingsley.

PCT Training Issue ~ At the last meeting Dr. Tom Paukert and Sheryle complained about two newly trained technicians who applied for work with them. These PCTs had never touched a living patient. Marc Chow reported that Satellite Healthcare had a similar experience and reported the situation to the Health Department. Sheryle will call the company that trained these PCTs to discuss the issue, and will report back to the Board.

National Drug Codes (NDC) ~ Michael reported that a Round Table was held in Sacramento last month and attended by 300-400 in addition to electronic coverage. Many areas of the medical community are concerned with the up coming requirement for the use of NDC codes for billing and reimbursement. The CDC requested that NDC codes not be used, but apparently MediCal has been instructed by the Federal Government to make the

changeover. The effective date is slated for January 1, 2008. The strategy is to have on going public comment and in the fall of 2007, to mail the detailed policy out to providers and then hold seminars in preparation for the January 1, 2008 implementation. MediCal forms will be revised to accommodate the additional digits in the NDC. Cindy LaMunyon stated that some of the larger billing companies are already preparing their systems for the digit changes. Kelly Wright of Amgen stated that the NDC number on the box of medications is not the same number as that on the individual vial. Therefore, the nurse administering the medication at patient chair-side will have to correctly note the vial NDC number for billing purposes. According to Kelly, there is a 2-digit difference between the box and the vial for most medications.

Dr. Lurvey reminded all attending that the NPI (National Provider Identifier) registration is critical and should not be delayed. Cindy stated that the registration has to be complete by March 1, 2007 for MediCal. Dr. Lurvey also stated that the ICD-10-CM will be coming and possibly as soon as 2008. He stated that significant software, and thus possibly hardware, changes will be involved in the conversion from the ICD-9-CM. Dr. Lurvey also briefly discussed the FDA alert issued regarding erythropoiesis stimulating agents (ESA) as a result of the current controversy around ESA dosing in dialysis facilities and for CKD patients. He distributed a few copies of the Alert.

• **NRAA REPORT**

Cindy LaMunyon reminded attendees that the NRAA Annual Spring Meeting is going to be held in Washington, D.C. May 15-16, 2007. The "Day on the Hill" is scheduled for the afternoon of the 15th. The program is not yet set. The first meeting of the new Board of Directors for NRAA was held on November 30, and the committees are up and running. The NRAA is supporting the proposed 2.65% composite rate increase for providers and encourages all providers to go to the CapWiz section of the NRAA home page and submit electronic letters to legislators in support of this. The next 3-5 days is the "home stretch" for voicing our support of the increase.

NRAA has a new "Job Board" which is a career link through the internet. It is a service similar to Monster.com. Currently, there is a 20% discount for those using the service in addition to a discount for NRAA members. A large volume discount is also available. The service is free to the jobseeker and the employer pays the fee. The service went live on September 1, 2006 and the fee is \$199 per position per month. It is located on the www.nraa.org website under "NRAA Career" link.

Email: mail@caldialysis.org
Website:
<http://www.caldialysis.org>

• **KIDNEY CARE PARTNERS REPORT**

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Marc Chow delivered the Kidney Care Partners report. Marc Chow delivered the report. As a result of the recent elections, the KCP bill lost 17 co-sponsors including Senator Rick Santorum, who was a strong advocate. Marc stated that the best chance for passing this legislation will be in the next year as 2008 will be a lame duck year. KCP expects the Conditions for Coverage for ESRD to be released in April of next year. Also, KCP has worked with CMS on the Pay for Performance initiatives for ESRD.

New England Journal of Medicine ~ Marc discussed the two studies released by NEJM concerning ESA drugs. Congressmen Stark and Thomas sent CMS a strongly worded inquiry regarding its involvement with the new payment policy for these drugs that falls outside of the FDA recognized level of hemoglobin. Dr. Barry Straube, CMS Medical Director and Nephrologist, supported the new policy. The House Ways and Means Committee will be holding a hearing on Wednesday December 6th to discuss this issue and there have been limited invitations for participants. KCP is involved and will be monitoring the hearings.

• NETWORK REPORT

Fistula First - The Network 18 prevalent AVF rate as of September 2006 was 48.0% and on track to meet the 49.7% June 2007 goal. While overall Network performance is satisfactory, there is considerable disparity in facility-specific performance and the QI staff is following-up with all facilities whose AVF rate is less than 40. The Medical Review Board and QI staff continue to implement several strategies to support sustained improvement. Involvement by Lumetra, the California Quality Improvement Organization, brings resources important to improved practices in managed care organizations, hospitals, primary care physician offices and other non-ESRD provider settings. The CMS Fistula First Breakthrough Initiative also continues to bring CMS and renal community resources and expertise to support improved vascular access management practices. An access cannulation video series, new patient educational materials and access-related policy/reimbursement revisions are some of the initiatives now in progress. All facilities are encouraged to contact Lana Kacherova or Lisle Mukai if there is any way the Network can provide assistance.

Emergency Preparedness - This remains a high priority remains a priority issue for CMS and the national coalition led by Network 7 is continuing to address public and private response issues as well as develop materials and tools to support patient, staff and facility preparedness. Network 18 is working on a pilot preparedness and response project with 5 Innovative Dialysis facilities. The ESRD Networks will play a key role in providing

information regarding facility status in the event of a disaster and will be following up with facilities on this important issue. Again, facilities should contact Lana Kacherova or Lisle Mukai if they would like assistance.

Transplant Referral - Review of Dialysis Facility Reports prepared by University of Michigan showed that several facilities have statistically significant low transplant referral rates. Network 18 will be developing a project with a few facilities to identify processes that support timely and appropriate transplant referral.

Patient Advisory Committee - The new CMS contract requires a Patient Advisory Committee (PAC) and the Network 18 Board approved a process to do so. It includes nominations from facilities; the deadline is Monday, December 4th. The PAC is envisioned as a group that will reflect the diversity of the ESRD population and provide input to the Board and MRB regarding education and other patient-focused activities as well as assistance in grievance situations. Questions should be directed to Cecilia Torres or Jessica Zamora at the Network office.

Data Accuracy & Compliance - CMS is increasingly focused on the accuracy and timeliness and accuracy of Medical Evidence (CMS- 2728) and Death Notice (CMS- 2746) forms submitted to the Network. Network 18 met the current overall 80% standard, but has started a CQI project based on significant variation in individual facility performance and a new 90% standard. The largest room for improvement lies in the timeliness of Death Notice forms. The Data Department is reviewing and revising the Data Manual and developing additional training materials to support improvement.

• **MEDICARE / MED-CAL REPORT**

Cindy LaMunyon reported that the new EMP (erythropoietin monitoring policy) became effective for dates of service on and after October 1, 2006. Dr. Lurvey reported that the number of appeals for non-payment for EPO has decreased. Cindy also reported that January 1, 2007 the new Q-code for EPO billing will become effective and that the new code is for billable units of 100 replacing the old increment of 1000 units. For Medicare, the NPI will be required on May 23, 2007. According to Dr. Lurvey, providers should be able to bill using both the legacy (old provider number) and the NPI simultaneously at this time.

Medicare Administrative Contractors (MAC) ~ Cindy reported that under the contracting reform, single MAC status will be available. The MAC for California will be awarded in September of 2007 and by September of 2008 the last MAC will be awarded. Dr. Lurvey stated that UGS will respond to the RFP and, if they receive the award, will

be named National Government Services.

There are no CPT codes that apply to dialysis services. This becomes problematic with private payers; we need dialysis-specific service codes. Dr. Lurvey stated that AMA, which assigns CPT codes, has nephrologists on the CPT committee. He suggested that the RPA be contacted to help with this issue.

MediCal ~ There is a new Medical Director for MediCal, Dr. Greg Yamato, a pulmonologist. He has expressed a concern about the MediCal EPO/Aranesp policy. Cindy stated that we need to introduce ourselves to him. Dr. Tom Paukert has already spoken with him and apparently had a successful conversation. Cindy suggested that CDC be sure to have Dr. Paukert involved in future conversations.

MediCal will move away from the current X-codes (not HIPAA compliant) to J-codes. Some of the ESRD codes in MediCal policy will be affected by this.

• PROGRAM REPORT

Mary Brattich reported that the 2007 CDC Annual Meeting will be held at the Hotel Zoso (the old Marquis Hotel) in Palm Springs April 26-28.

• OTHER BUSINESS

Mike Paget presented proposed meeting dates and locations for the first half of 2007. Based upon space availability, the following were agreed upon by consensus.

January 12, 2007 ~ Oakland
Educational Meeting in conjunction with Network #17
February 16, 2007 ~ Los Angeles
March 14, 2007 (Wed) ~ Sacramento- Legislative Day
April 26-28 ~Palm Springs- Annual Meeting
May 18, 2007 ~ Sacramento
June 15, 2007 ~ Los Angeles

Mike will report back regarding availability in those locations.

• NEXT BOARD MEETING

January 12, 2006 ~ Oakland
In conjunction with Network 17's Educational Seminar

For more information and a registration form, please visit our web site at: www.caldialysis.org/next_meeting.htm