

CDC Report

Friday September 15, 2006

Los Angeles, California

Legislative Report

Michael Arnold delivered the legislative report.

The Governor is expected to be re-elected. There will be a televised debate between Phil Angelides and the Governor on October 7.

In addition to the gubernatorial race, there will be 48 new legislators out of 100 open positions in the November election. As a result of term limits, we will have to be vigilant in the process of informing new members of the dialysis industry and our needs.

The state legislative analyst, Liz Hill, anticipates a \$4 billion deficit next year. We will have to remain watchful so that we don't lose money in the attempt to balance the budget.

The Legislative Status Report was distributed to those in attendance and reviewed by Michael Arnold. The legislature is currently out of session and the governor has to act upon those bills which are currently on his desk prior to midnight September 30.

AB1807 is the trailer bill that operationalizes the budget with regard to Health issues. The main areas of importance to the dialysis industry are as follows.

Section 1300 is amended to delete the fee for hemodialysis technician certification fees. The restructure of the dialysis facility license fee will cover the cost of the technician certification. This will save the state both time and cost with regard to processing the certification.

Section 1266 restructures the licensure fees. Dialysis facility licensure will now be a flat fee of \$1,500.00. Mike Paget will send an electronic copy of this bill out to all CDC members.

AB2631 is the MediCal injectable drugs bill that will require MediCal to publish a policy for utilization of the drug in the MediCal Bulletin within 180 days of notification by the manufacturer the drug has FDA approval.

SBI62 is sponsored by the Administration. The bill creates a Department of Public Health and a State Department of Health Care Services (DHCS); it splits the current department. Both Licensing and Certification and MediCal will remain in the DHCS. The driving concept for the bill is the Governor's perception that the state needs to concentrate more on public health issues and that the current Department of Health Services is too large and unwieldy.

Assembly member Patty Berg will be the new Chair for the Assembly Budget Committee and Assemblyman Mervin Dymally is the new Chair for the Assembly Health Committee. Michael Arnold suggests that perhaps the CDC should consider sponsoring an event in Mr. Dymally's area (Compton).

Michael Arnold and the Paukerts are working on review and analysis of the *Annual Report of Clinics* to determine the continued need for the report based upon the new structure for clinic licensure. Michael feels there may be a statutory requirement for the report and that would make it difficult to overturn. He will report back to the Board at the next meeting.

Regulatory Report

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

Karen Dyer reported that under the Proposed Conditions for Coverage, there is language that requires a fire sprinkler system in all dialysis clinics and there is no grandfather clause. Marc Chow of Satellite Healthcare stated that he and unspecified others are working with CMS and have requested that a grandfather clause be written into the final Conditions for the fire sprinklers. He will report back if there is an up-date.

Marc Chow also presented a request to the Board from the Human Resources department at Satellite Healthcare. He stated that they would like to have CDC pursue specific legislation that would allow dialysis staff to work at straight-time pay for a 12-hour day (similar to current acute hospital rules). Current law allows a 10-hour day with employee group consent. There was discussion among those in attendance and it was decided that, since California had this system of overtime (overtime after 40 hours) prior to the current overtime rules, and since the change did not save employers money but did cost significant administrative time in re-working hourly rates so that the employees would not receive pay cuts, and caused confusion among staff, it is not an avenue CDC wishes to pursue at this time. Michael Arnold will advise the Board if any opportunities in this area come up in pending legislation

NRAA Report

Cindy LaMunyon reminded attendees that the NRAA Annual Fall Conference is going to be held in Philadelphia October 4-7. The NRAA held its Board elections and Katrina Russell will be the new Western Region Director and Cindy will be moving from that position to that of Secretary.

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.

Network Report

1.) FISTULA FIRST - CMS has established short- and long-term goals for Fistula First overall and each Network. Network 18's current fistula rate is 45.7%; the goal is 49.7% by June 30, 2007. We will continue to implement strategies that support improvement in LDO and independent facilities, in the surgical community, and among the incident and managed care patient populations. The State Agency is well versed in Fistula First and the Network will hold further orientation sessions with them regarding vascular access management issues. We look forward to the opportunity to work with Lumetra, the CMS-contracted quality improvement organization for California hospitals, physician offices and other non-ERSD providers on Fistula First. We also are fortunate to have the opportunity to work on vascular access outcomes improvement with DaVita as part of the ESRD Demonstration Project in the Riverside and San Bernardino areas.

2.) CONFLICT RESOLUTION/PATIENT GRIEVANCE - Network staff have been providing in-services to Social Worker groups and others regarding this issue. The CMS-supported Decreasing Patient-Provider Conflict (DPC) provides new materials and all facilities should have received the packet. There is continuing focus on reporting Involuntary Discharges. Facilities are reminded to contact the Network office if there is any uncertainty as to whether a patient should be reported as a Transfer-Out or an Involuntary Discharge.

3.) NETWORK 18 ELECTION - 7 MRB members will complete their terms on December 31, 2006 and the Call for Nominations has been forwarded to all facilities. Nominations are due Wednesday, September 27, 2006.

4.) EMERGENCY PREPAREDNESS & RESPONSE - This is a major issue for CMS and a significant new component of the Network contract. We will be following up with facilities regarding emergency contact information as part of the Network's role to share information about the status of facilities and availability of dialysis services in emergency situations.

5.) NATIONAL KIDNEY FOUNDATION SCIENTIFIC SYMPOSIUM - The NKF Scientific Symposium is Saturday, September 30, 2006. As usual, it includes tracks for all disciplines and, for the first time, a track for patients. Interested individuals can get information about the symposium and register online at <http://www.kidneysocal.org>

Medicare/Medi-Cal Report

Cindy LaMunyon reported that effective the end of August, 2006, all Fiscal Intermediaries will have electronic crossover claims. She distributed a notice from the MediCal website and indicated that it stated that this had been posted in the August 2006 *MediCal Update*.

MediCal is planning to transition to the national coding system supposedly effective in November 2006. The existing Q-codes are already loaded in the system. The new Q-code for EPO will be per 100 units instead of 1000 units and will be effective in January 2007. Line item dates of service are expected in 2007.

Medicare. October 1, 2006 the following policy changes for EPO Monitoring Policy became effective.

1. There was a change in definition of the "GS" modifier, which stated that a reduction in EPO dose has occurred and been maintained but no longer defines the percentage of decrease.
2. It clarified that home patients' EPO was not covered under the new rule. Effective October 1, 2006, the clarification is retroactive to April. However, due to the system change required, it will not be possible to recoup any losses until January 2007. As of January 2, providers may request adjustment for any effected claims.
3. The 500,000 unit maximum was not intended to apply to home EPO and any claims affected can also be adjusted after January 2, 2007.
4. Home programs should still use the target guidelines of 33-36 hematocrit as the new 39% maximum also does not apply to home EPO.

Contract Reform (MAC). The first contract for Medicare Administrative Contractors (MAC) has been awarded. Arizona, will begin the transition from Part A carriers and Part B Fiscal Intermediaries to the new MAC system in October, 2006 with an implementation date of March, 2007. Jurisdiction 1, including California, will be awarded in September of 2007. Cindy reminded those present that we should not assume that anyone with ESRD experience, such as UGS, will received the contract award. The LDOs believe that the new MAC system will allow them to continue to have a single MAC status but the specifics have not been published.

Next Open Board Meeting

October 20, 2006 ~ Oakland

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