



CDC Report

Board Meeting ~ Palm Spring

April 26, 2007

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Below is a report from the California Dialysis Council's Board Meeting held April 26, 2007 in Palm Springs, California.

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• **LEGISLATIVE REPORT**

Michael Arnold delivered the legislative report. Sacramento has been busy for the past 2-3 weeks. In particular, there has been a lot of activity around comprehensive health care reform proposals. Michael stated that no one knows if this will come together this year. If it does, it will be toward the end of the session as a two-house bill. The Governor's health care reform proposal is not in bill format yet. Michael will keep an eye on whatever bill moves forward to assure that the dialysis industry is adequately represented.

The [Legislative Status Report](#) was distributed and special attention was paid to Assembly Concurrent Resolution #42 which would sponsor a "Donate Life California Registry." He suggested a support position for this resolution and the Board approved that in concept.

Michael stated that the State Budget continues to deteriorate and there will probably be a \$4-5 billion deficit. One contributing factor in the deficit is the reduction in personal income tax revenue upon which California is dependent for general revenue. His office will be watchful regarding any proposed cuts and their potential effect on the dialysis industry.

• **REGULATORY REPORT**

Michael Arnold discussed the issue of increased license fees for dialysis providers. Michael has testified before both the Senate and Assembly Health Subcommittees regarding the increased fees. He has stated that the

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dialysis community would be willing to pay the higher fee if the Department of Health Services would follow through with their promise of timely surveys. The dialysis community believes it may be paying in advance for services that might never be delivered. The Department has responded that when they have a full complement of surveyors, they will respond appropriately. The original plan was to have an incremental 3-year increase in the license fee with the necessary dollars supplemented by the General Fund. We have asked that this plan continue to be implemented. Both Subcommittees decided not to make any changes until after the May budget revise. Michael stated that the ambulatory surgery centers have legislation in process that would increase their intra-survey period to three years from the current two. This will result in a reduction in their license fee. Michael will continue to review the fee structure and the CDC Board gave him flexibility to make any changes necessary. He will report back to the Board on this.

The issue of dialysis in Skilled Nursing Facilities (SNF) was raised by Peter Crooks. He stated that surveyors who have come into SNFs and found acute dialysis teams providing dialysis for Kaiser Patients have issued cease and desist orders. CDC Board is interested to determine whether the recommendations made by the Technical Expert Panel (TEP) on this topic will be included in the new Conditions for Coverage (whenever they are issued). Since the mandate for the TEP came via the proposed Conditions, it seems reasonable to assume they might. If the dialysis in SNF issue is included in the Conditions, it would be counterproductive for CDC to attempt to make any changes in California regulations until after that release. It was suggested that someone on the Board contact Glenda Payne, RN, CNN who might have input on this. Mary Brattich agreed to contact her. Kaiser is holding an internal meeting on the topic and Peter will report back to the Board on the outcome.

• **NRAA REPORT**

NRAA is having its Annual Spring Meeting in Washington D.C. May 15-16. There is an Open Board position available and Cindy is responsible for the nominating committee. Cindy has some thoughts regarding CDC members who might be effective for the position. The deadline for submission of nominations is June 30. Marc Chow attended a meeting on the topic of bundling the composite rate last week. Following Senator Chuck Grassley's comments on bundling, the KCP moved forward to develop a plan of action. NRAA plans to submit a letter to Senator Pete Stark in May concerning the bundling issue.

NRAA has a "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.

- **KIDNEY CARE PARTNERS REPORT (KCP)**

Sue Vogel reported that the new Kidney Care Quality Improvement and Education bill is being rolled out in Washington. She suggested that all CDC members go to [CapWiz](#) and support the bill. She stated that the new "back box" warning for ESAs along with the recent JAMA article on chain dialysis providers and dosing of EPO are really on the "radar" in Washington. A copy of the suggested "[talking points](#)" for providers contacted by the media was distributed. The Kidney Care Quality Improvement and Education bill is not getting the same support as it has in the past and Marc Chow feels that it may be negatively affected by the recent publicity

- **MEDICARE / MED-CAL REPORT**

A report was given on the issues with Medi-Cal and billing of EPO and Aranesp. Aranesp now has a minimum billing increment of 1 mcg. The UB92 billing form only allows for 2 units on a line, one local physician was attempting to bill for 100 mcg and was receiving denials. The denials were a result of the process problem involved with attempting to submit 100 mcg in a field that only allowed 2 mcg. It was stated that the same thing would happen with EPO which now has a minimum billing increment of 100 units. For example, a patient receiving 12,000 units of EPO would require a quantity of 120 on a line allowing only 2. The Medi-Cal system is antiquated and needs upgrade but for the time being the only reasonable way to deal with this issue would be to continue to use the J-code. AMA and CMS never changed the description of the J-code to be specific to the PD modality so, for the time being, there is no HIPAA problem with the industry using the J-code. However, Cindy LaMunyon stated that it is highly unusual for AMA and CMS to leave an old code intact and she expects that a new definition will be devised by January. Cindy will write a letter to Medi-Cal describing our dilemma.

Regarding the current controversy around ESA, Dr. Paukert stated that he has been in touch with Dr. Yamata, the new medical director for Medi-Cal. Dr. Yamata has been given a copy of the new "black box" warning for Epogen and also the appropriate references from that warning. Medical justification for hematocrit in excess of 36 has been removed from the package insert for EPO. The new K-DOQI guideline, according to Peter Crooks, will also remove any goal in excess of 36 (this will be a

Email: mail@caldialysis.org

Website:

<http://www.caldialysis.org>

Tel: 928-717-1156

guideline and not a recommendation). Tom Paukert has spoken with Dr. Yamata and Kelly stated that these conversations are likely the cause of his high opinion of CDC. Conversations with Medi-Cal via Dr. Yamata will continue.

Cindy stated that Medi-Cal is working on a fix for crossover claims so that the system will accept more than 15 line items by June 1, 2007. Cindy stated that Medi-Cal intends to hold claims rejected by Medicare due to the greater than 15 lines and then re-submit them. Providers should not have to deal with the crossover fix.

- **PROGRAM REPORT**

CDC has contracted with the Wyndham Palm Spring Hotel for next year's Annual Meeting on April 24-26, 2008.

- **OTHER BUSINESS**

There was no other business.

- **NEXT OPEN BOARD MEETING**

Friday May 18, 2007 ~ Oakland

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

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