



CDC Report

Board Meeting ~ Los Angeles

September 2007

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Below is a report from the California Dialysis Council's Board Meeting held September 21, 2007 in Los Angeles, California.

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• LEGISLATIVE REPORT

Michael reported that the 2007 legislative year has come to an end. Any bill that did not pass this year will automatically become a 2-year bill for consideration next year. On the last day of the regular session, the Governor called two extraordinary sessions, one on healthcare and the second on water proposals. There are three approaches to healthcare reform at this time, although the governor has said he will veto the two he is not sponsoring.

The first approach, AB 8 (Nunez) was passed by the legislature and is supported by the Service Employees International Union. This bill would require healthcare coverage by employers (play or pay) and if the employer does not provide coverage, they would pay a per employee fee to government for coverage.

The second approach, SB 840 (Kuehl), has not been sent to the Governor. This bill would replicate the Canadian health coverage system.

The Governor's proposal for healthcare reform is the final approach. This approach includes shared responsibility. Employers would pay 4% of salaries, hospitals would pay 4% of gross revenue, physician practices would pay 2% of gross revenue, and individuals will be required to have coverage. The Hospital Association came out in support of this approach in September under the condition that Med-Cal rates are increased to Medicare levels including a regular rate increase and if change is only possible by public vote.

Michael Arnold stated that he believes the situation is so complex that it may not be resolved before the end of the

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year. He also stated that we should remain watchful regarding the program in ways that it might impact the dialysis community. Additionally, the state will experience a \$5 billion deficit next year and he feels we should be watchful regarding possible Medi-Cal cuts.

The Legislative Status Report was distributed to those in attendance. Michael reminded attendees that anyone with an interest in a specific piece of legislation can go to the CDC [website](#) click on the "Current Legislative Report" link. Clicking on the bill number will bring up a copy of the that specific bill.

Sheryle Paukert delivered copies of two documents she created in response to OIG reports from June 2007. In part, the document addressing the OIG report on ESRD Drug Reimbursement read as follows. *"That this report should be considered as a valid vehicle to communicate information about the merits of separately billable drugs under the composite rate is an alarming proposition. The suggestion is being made to use unverified data as a basis to determine the consequences of bundling separately billable drugs into the composite rate. We believe that there is a serious reporting error in the data presented. The third quarter acquisition cost for doxercalciferol, 1 mcg, is reported as \$0.72, in nonchains, and \$2.33, in chains. We do not believe that this is correct. As a small dialysis facility buying from a GPO our price for that time was \$3.03 per 1 mcg. We were unable to find a wholesaler who sold doxercalciferol to any facility for \$0.72 per 1 mcg. during the third quarter of 2006. It seems financially unbelievable that the nonchain price for a drug would be 35% of the chain price. The use of unverified data calls the entire OIG report into question. The report uses survey data to draw conclusions about Average Acquisition Prices and Medicare Reimbursement. On page 9 the statement is made that "overall drug acquisition costs... were, on average, 10 percent below the Medicare reimbursement amount." We wonder how this could be possible with ASP plus 6 pricing. The report is, on the face of it, not comprehensible nor believable. Survey data is an inappropriate source upon which to base decisions critical to the financial future of dialysis."* At the conclusion of Ms. Paukert's presentation, the Board asked that these documents be forwarded to Marc Chow who is representing CDC with Kidney Care Partners (KCP), and request that he bring the issues to the KCP for consideration as they approach the bundling issue.

• REGULATORY REPORT

Michael Arnold delivered the regulatory report regarding the issue of dialysis in Skilled Nursing Facilities (SNF). At the last Board meeting, the Board had requested that Michael deliver a couple of suggestions regarding the wording of the Department of Public Health's (DPH) "all facilities letter (AFL)" on the topic of dialysis in SNF.

Unfortunately, the letter had already been sent out by the time Michael got back to the Department. The letter states that dialysis may be performed in a SNF with an optional service request. CDC had introduced AB 24 on the topic of dialysis in SNF, but the DPH preferred to use the optional service approach. CDC agreed, in the short term, to observe the way the DPH approach works out before deciding whether or not to reintroduce our own legislation. Peter Crooks stated that he felt it too early to determine how the plan will work at this time. Tom Paukert stated that we should watch the progress in SNFs with an eye to patient safety. Since Board members could only offer conjecture as to the meaning of the DPH AFL letter as it described a survey process based on ESRD guidelines, Carol DiRaimondo suggested that representatives from DPH be invited to our October meeting for clarification. Michael stated that he would invite Scott Vivona and Kathleen Billingsley to the Oakland meeting. Members with questions regarding the process should send those to Michael Arnold so he can forward them in advance to these representatives.

Via e-mail, Cindy LaMunyon sent notice to the Board regarding a CMS decision to charge "re-visit fees." Any provider that has been cited for deficiencies during an initial certification, re-certification or substantiated complaint survey requiring a re-visit by the survey agency, will be charged a re-visit fee. The effective date is September 19, 2007 and the applicable date is September 30. The document is available at:

<http://www.cms.hhs.gov/SurveyCertificationGenInfo/downloads/FinalUserFeereg.pdf>.

- **NRAA REPORT**

Mike Paget reminded attendees that the NRAA Fall meeting is next week in Huntington Beach.

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

Marc Chow submitted a written report from KCP which was distributed to those in attendance. The report included an overview of current issues.

1.) The SCHIP bill will be sent to the President soon and, although he has threatened to veto the bill, many believe that the Senate and House will override the veto. The final conference on Tuesday, September 25, will probably finalize the Senate and not the House version of the bill.

2.) The EPO policy that is slated to start in January 2008 is still confusing and meetings will be set up with CMS for clarification. Amgen representatives at the CDC Board meeting had no further information on this issue.

Peter Crooks stated that as a result of the September 11th FDA Board meeting, FDA will authorize a hemoglobin level of 10-12 as the target for ESA dosing and, perhaps, will

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address how to handle hyporesponders. The final information is still unknown. NGS Medicare Part A allows the initiation of ESA at hemoglobin level of 10.

• NETWORK REPORT

Vickie Peters sent a brief Network report to CDC and it was distributed to those attending:

I. Staffing Changes

With the departure of Edwin Del Salto, NW18 has a new Information Services Director. Patrick Ciriello began work at the Network office September 6, and we are pleased to have him on board. He has extensive computer and data management background, including healthcare experience, and a Master's Degree in information management.

As most of you know, Doug Marsh left NW18 August 3, after almost 12 years as Executive Director. The NW18 Executive Committee of the Board of Directors is in the process of interviewing several qualified candidates for this position. Vickie Peters is serving as the Acting ED in the interim.

II. Data Update

Catching up delinquent data forms has been a primary focus of the data department in the last 2 months, and all NW18 facilities have been informed of the process and procedures. In the future, the data department is planning to provide reminder notices to assist facilities with forms timelines, and a new Data Manual will be sent to all facilities in October.

III. Quality Improvement Projects

The QI department has several interesting QI projects running for this contract year, including stenosis monitoring, buttonhole cannulation, and transplant wait lists. Facilities have already been selected for participation, but the Webex/conference calls for several of these projects are available for viewing on the NW18 website, under "QI Educational Resources/Presentations". Lessons learned from these projects will be shared with the entire renal community.

IV. Network Newsletter

Network 18 is in the process of "reviving" the Network newsletter (last sent in 1998) for all facilities and the renal community, with regular updates on all Network departments. The current "Fistula First" newsletter information will be included in this revised format. Look for it after November 15!

• MEDICARE / MED-CAL REPORT

Mike Paget reported that Cindy had indicated that the

National Government Services (NGS) EPO/Aranesp situation should be cleared up at this time.

• PROGRAM REPORT

Mary Brattich stated that the next Annual Meeting will be held at the Wyndham Hotel in Palm Springs in April 2008. She is requesting suggestions for speakers/topics. Please contact her at: (858) 571- 0425 or email: mary.brattich@fmc-na.com.

• OTHER BUSINESS

1. Peter Crooks co-chairs the ESRD Steering Committee for the National Quality Forum (NQF). He explained that the National Quality Forum is a consortium of health care industry groups which endorses metrics for quality. Medicare has requested metrics for improvement in ESRD. This is not a guideline committee but it evaluates metrics for quality. There were 45 ESRD quality measures submitted, including anemia, vascular access, and quality of life. 22-24 process measures were endorsed by the committee but they were unable to endorse hemoglobin measures as a result of the current controversies around ESA. The public comment period closed today and the measures will now go to the NQF membership for comment.

2. At the last Board meeting, the topic of change of day of the week for CDC Board meetings was considered. As a result of several issues, the Board voted to leave the meetings on Friday as they are currently.

• NEXT OPEN BOARD MEETING

October 19, 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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