



CDC Report

Board Meeting ~ Los Angeles

February 2008

In this issue

LEGISLATIVE REPORT

SPECIAL GUESTS

FEDERAL ISSUES UPDATE

NETWORK REPORT

MEDICARE / MEDI-CAL
REPORT

PROGRAM REPORT

NEXT OPEN BOARD
MEETING

Below is a report from the California Dialysis Council's Board Meeting held February 15, 2008 in Los Angeles, California.

• LEGISLATIVE REPORT

Mike Arnold delivered the legislative report. The Governor called a special legislative session on the fiscal crisis and legislature must respond within 45 days which will be Sunday, February 24, 2008. California is facing a \$14.5 billion deficit for 08-09. The Governor's Budget proposed a series of cuts across the board.

A 10% cut to Medi-Cal provider reimbursement rates was included in the Governor's proposal. CDC testified at the budget subcommittees and the full budget committee hearings against the proposal for the cuts. Federal contribution would not only be forfeited, but would actually double the reduction to Medi-Cal providers.

The Legislature, acting in the special session on the budget crisis called by the Governor, approved a package of bills to achieve budget savings. The Medi-Cal 10% provider rate cut was included within this legislative package and was signed by the Governor. The current implementation date for Medi-Cal cuts is July 1, 2008. There is hope to reverse the cuts before that date, but it will be a very difficult task. The Alliance of Patient Care (70 associations) is coordinating activities and developing a strategy to reverse the cuts. CDC is an active participant in the Alliance. In addition, we are also launching our own effort to lobby the Legislature to reverse this decision.

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If efforts to reverse the rate cut are unsuccessful, then it is recommended to present dialysis as a service that should be exempted. The membership is encouraged to continue efforts to contact their legislators.

Legislative Day will be held Tuesday, March 25 in Sacramento. A flier was distributed with the details.

The Legislative Report was reviewed which is available on CDC website at: http://www.caldialysis.org/status_report.htm. Accessing in this manner allows you to link directly to the whole bill.

• SPECIAL GUESTS

Bobby Anderson, Field Representative from Assemblyman Mike Davis's office and Roberto Vargas MD from UCLA/RAND Corporation and co-investigator for the NIH Comprehensive Center for Health Disparities for Chronic Kidney Disease were in attendance.

Dr. Vargas reported that Blacks are four times and Latinos one and a half times more likely to develop ESRD than whites. Blacks receive fewer transplants and develop kidney failure earlier than whites. Medi-Cal rates cuts will have a greater impact in lower socioeconomic areas of color and lead to access of care issues, such as in Assemblyman Davis' district.

Discussion took place regarding exploring opportunities of recommending a Medi-Cal pilot program with input from the RAND Corporation and CDC to demonstrate costs savings to the Medi-Cal program by delaying ESRD.

Ongoing dialog will continue in future meetings to explore such an opportunity.

• FEDERAL ISSUES UPDATE

Note: This new category is a combination of the previous NRAA and KCP Reports.

Mike Paget reviewed and referenced the following written report from Marc Chow

1) *President's FY '09 Budget Proposes Large Medicare Provider Cuts* In Medicare legislative and administrative savings, the budget request totals \$12.8 billion in FY 2009 (which begins October 1 of this year) and \$182.7 billion over five years. Net savings from the legislative proposals alone, total approximately \$12.2 billion next fiscal year and \$178 billion over five years. Medicare's average annual growth rate over five years would be

trimmed from 7.2% to 5%.

In FY 2009, the President proposes legislation to freeze the market basket updates for inpatient hospitals, long-term care hospitals, skilled nursing facilities, hospices, outpatient hospitals, home health agencies, ambulance services, and ambulatory surgical centers, saving \$7.24 billion. Following expiration of the freeze, these providers would get 0.65% less of an update. The freeze on the hospital update alone would save close to \$4 billion in FY 2009 and \$64.2 billion over 2009-2013.

In addition, to improve Medicare's long-term fiscal health, the budget would apply a sequester of -0.4% to all Medicare provider payments when general fund contributions exceed 45% of program financing. The sequester order would increase each year by -0.4% until general revenue funding is brought back to 45%.

Lab fee schedule rates, due to emerge from a five-year freeze on January 1, 2009, do not appear on the budget's provider hit list, but the President's budget seeks Medicare savings from lab competitive bidding in the amount of \$110 million in FY 2009 and \$2.3 billion over 2009-2013.

2) *CMS has stated that the Condition of Coverage deadline will be extended for one year*

- CMS states that the extension is due to the complexity of the rule and the large number of comments received
- This extension does not mean CMS will take the full year.

3) *CMS is has released it's ESRD bundling report to Congress [Click here for a copy of the full report](#)
[Click here for an analysis from KCP](#)*

• NETWORK REPORT

Vickie Peters gave the following report:

Annual CMS Survey has been distributed and are due back to Network office by February 22. Medical Review Board (MRB) Statement on Involuntary Discharges was sent to facilities in January. Network 18 Newsletter with Patient Services educational materials will be mailed soon. MRB is exploring how to interact more effectively with the provider community. The use of WebEx in conjunction with conference calls on a regular basis are being considered. Replays could be made available for those not able to attend.

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

Tel: 928-717-1156

CROWN -Web was expected to come on line by February

2009. Alpha testing is currently being done in Southern California. But since the revised Conditions of Coverage are delayed, which would have required certain hardware to be in place needed to run CROWN-Web, this could be delayed. Updates will be given as more information becomes available.

• **MEDICARE / MEDI-CAL REPORT**

Mike Paget presented a written report from Cindy LaMunyon.

Medicare: ESA Policy and EPO Line Item DOS Billing were implemented on Jan 1, 2008. It is too early to know if there have been any problems. Stay tuned

NPI Prior to March 1, 2008: Claims with both an NPI and a Medicare legacy number are rejected if the pair is not found on the Medicare NPI Crosswalk. Claims submitted with just a Medicare legacy number are being paid (unless of course, they have other errors that would cause them to be rejected).

As of March 1, 2008: Claims with both an NPI and a Medicare legacy number will continue to be rejected if the pair is not found on the Medicare NPI Crosswalk. Claims without an NPI in the primary provider field will be rejected! Claims with only a Medicare legacy number in the primary provider field will be rejected!

This means that you will not be able to get paid for any Medicare services you provide until you begin using your NPI. Also, if needed, you must correct any data which may be preventing an NPI/legacy match on the NPI crosswalk. The correction might require that you file a CMS-855 Medicare Provider Enrollment form with Medicare, which is a process that can take a number of months to accomplish. *TEST NPI-only NOW:* If you have been submitting claims with both an NPI and a Medicare legacy number and those claims have been paid, you need to test your ability to get paid using only your NPI by submitting one or two claims today with just the NPI (i.e., no Medicare legacy number). If the Medicare NPI Crosswalk cannot match your NPI to your Medicare legacy number, the claim with a NPI-only will be rejected. You can and should do this test now! If the claim is processed and you are paid, continue to increase the volume of claims sent with only your NPI. If the claims reject, contact Medicare for guidance.

Medi-Cal: Karen Dyer discussed lack of reimbursement from Medi-Cal with HCT of 36. This is a widespread problem apparently due to confusion between oncology and renal patients. In the most recent Medi-Cal Bulletin they have dropped language regarding 150u/kg. It is not apparent at this point what this means and the

Medi-Cal Committee is following up.

- **PROGRAM REPORT**

Mary Brattich reported that the program is complete and the brochure is available on our web site by [clicking here](#).

Dates for the 2009 Annual Educational Conference are April 16-18, 2009.

- **NEXT OPEN BOARD MEETING**

May 16, 2008 ~ Oakland

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

www.caldialysis.org/next_meeting.htm

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