

CalDerm[®] Update

The Voice of California Dermatology

California Society of Dermatology & Dermatologic Surgery

NEWS FOR CALIFORNIA DERMATOLOGISTS

FALL 2010

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SAVE THE DATE!

2011 Annual Meeting

September
16, 17 & 18, 2011

Hilton La Jolla
Torrey Pines
San Diego, CA

Visit www.calderm.org
for program updates.



2010 Year End Legislative Report

Legislative year 2010 played out like Game 3 of the 1989 World Series. The game is big; CalDerm and everyone else are there. Then the ground starts shaking, and a familiar-looking event turns bizarre and sobering amid the swell of a larger story.

In Sacramento, the jolts that distorted the normal policymaking process came all year. The Governor's January Budget proposal, with its proposed caps on Medi-Cal visits for chronic conditions, substantial ER visit co-payments, and proposed full elimination of CalWORKS and In-Home Supportive Services, signaled early on that Legislators this year would be focusing on how to close a \$19.6-billion budget gap without hurting or offending anyone.

And if you squint right, they almost succeeded. The final deal that arrived in October contained relatively few cuts (especially in healthcare), no tax increases, and cleverly passed along most of the problem as if it were a Canadian penny. Unfortunately for the incoming Governor and Legislators (and mostly, the people of California) that "penny" now represents minus-\$25 billion over the next 18 months. By some estimates, the figure is minus-\$27 billion. At any rate, it is minus-billions and billions (with apologies to Carl Sagan). Outgoing Governor Arnold Schwarzenegger has convened a special session starting December 6 to address the Budget problem midyear. However, Democratic legislative leaders say they are inclined to wait until January to work on it with new/old Governor Jerry Brown.

Another great jolt was federal healthcare reform, which is expected to affect healthcare delivery and financing through insurance mandates on both employers and individuals, creation of an individual insurance exchange (with underwriting guarantees), and efforts to control Medicare costs and improve quality through changes in payment. The Patient Protection & Affordable Care Act (PPACA) includes a gradual 10-year reduction in subsidies to Medicare Advantage plans and establishes a Medicare payment advisory board, both of which could reduce payments for Medicare services.

Intriguingly, PPACA provides for the creation of Accountable Care Organizations (ACOs). These networks of hospitals and physicians will be allowed to split potential savings (gain-share) that are realized through reduced hospitalizations, provision of more primary and preventive care, and better coordination of treatment for chronic conditions. Federal regulations on what ACOs will look like and how they will run are soon to emerge. But for sure, they seem destined to organize providers into larger and larger entities (ACOs must serve at least 5,000 Medicare enrollees), with ACO contracting to surely emerge as a central issue.

For physicians, one of the more frustrating omissions from the reforms was a repeal of the Sustainable Growth Rate (SGR). When implemented in 1997, SGR was intended to peg the growth in Medicare spending to the growth rate of the larger economy. However, with medical costs regularly

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President's Message



Isaac Neuhaus, M.D.

I am honored to be starting my term as CalDerm President. I have the privilege of working with a tremendous Board of Directors, an outstanding executive team, and all the dedicated dermatologists across California. While we have just started our year, CalDerm has already been hard at work for you.

In September, CalDerm hosted its annual meeting in beautiful Santa Barbara at the Fess Parker Resort. This year's meeting was a huge success with nearly 200 physicians attending. The educational program, led by an exceptional group of national and regional experts, covered a wide range of topics from cutaneous oncology, complex medical dermatology, novel treatments for difficult diseases, dermatopathology, cosmetic procedures, nail disorders, surgical flaps, and medical legal cases. There was literally something for everyone! In addition to the formal program, there was a wine tasting event one evening with local vineyards bringing the best of the region. The meeting received rave reviews from the attendees and we are incorporating the thoughtful feedback into the planning of next year's meeting. Please be sure to

mark your calendars for September 16-18 2011 so you can join us in gorgeous La Jolla Torrey Pines.

CalDerm has also been busy in Sacramento protecting the interests of dermatologists and our patients. There are many competing interests from allied health professionals seeking to encroach into dermatology and medicine without a medical license. Additionally, new proposed governmental regulations are often confusing, ill designed, and can damage the sacred patient/physician relationship, as well as complicating the role of medicine in the future. We were very fortunate to have Tom Riley join our team last year as our Sacramento lobbyist. His team, along with CalDerm, will continue to be vigilant to protect your ability to practice dermatology and be an advocate for patients across California.

So where do you come in? In order to be an effective presence, CalDerm continues to need your support. The more dermatologists under the umbrella of the organization, the bigger the impact on effecting change. We need you to sign up and become a dues-paying member. If you are a consistent supporter of CalDerm, I thank you. If you have a colleague or friend who is not a member, encourage them to join. Check out our revamped website, www.calderm.org, for the latest news and issues facing dermatology in California. If an issue or concern arises, please let us know. There is always room for those that wish to get involved.

I look forward to championing the CalDerm efforts in the year ahead.

Isaac Neuhaus, M.D.
2010-2011 CalDerm President

CalDerm Board of Director Appointments

The CalDerm Board of Directors is pleased to appoint the following Dermatologists to the CalDerm Board: Jacqueline Dolev, M.D. of San Francisco; Tanya Evans, M.D. of Laguna Niguel and Jeffrey Sugarman, M.D. of Santa Rosa. In addition, the Board approved the re-appointment of Nancy Chen, M.D., Escondido; Steve Hodgkin, M.D., Victorville and Gary Lask, M.D., Los Angeles. Appointments are a four year term and require ratification by the CalDerm membership

– a ballot is inserted with this newsletter for those who are members in good standing along with a return envelope. Please return your ballot as soon as possible or by December 31, 2010.

Also appointed to the Board are four resident physicians: Tara Dever, M.D., Naval Medical Center; Brent Kirkland, M.D.; Stanford University; Aimee Paik, M.D., UC Irvine and Raja Sivamani, M.D., UC Davis. Resident Board positions do not require membership ratification.

Continued from cover

outpacing general inflation, Congress has until recently deferred the application of SGR annually to avert an exodus of physicians from the program. This year, as Congress balked, CalDerm joined other physician organizations in California and nationally to advocate for a permanent SGR fix or at least a longer deferral. In June, Congress deferred SGR implementation only until December 1. At the moment, Congress appears poised to defer implementation only until January 1. At which point, without further action, Medicare payments to physicians would drop 25 percent. Such a reduction, of course, would force many physicians to leave Medicare, pre-empting any gains in access and quality envisioned under healthcare reform.

A final shaker that affected typical policymaking this year was the State's application for a new Section 1115 Medicaid waiver. The Administration largely drove the work, which occurred largely outside the legislative process. With its application, the State secured CMS approval to move the Seniors & People with Disabilities (SPD) population from Medi-Cal fee-for-service to managed care, and to pursue the coordinated treatment of dual eligibles.

Questions abound. Among them is the waiver's allowance for creation of county-based entities that would contract with providers for services. Will these entities have to follow the same regulations as other payors, such as the prompt payment requirements on Knox-Keene health plans? Will these entities be allowed to operate as "silent PPOs," with physician "participation" demonstrated through the leasing of other payors' networks? CalDerm and other physician organizations will actively engage on these and other waiver issues that will need clarification in either statute or regulation.

Atop these tremors, other efforts to change healthcare policy were only modestly successful. CalDerm successfully advanced its own co-sponsored bill, AB 2566 (Carter) to the Governor's desk, where it was vetoed. AB 2566 would have strengthened the authority to prosecute the operators of

illegal, under-supervised medi-spas for violating the bar on the corporate practice of medicine. Despite aggressive advocacy, which included the support of the Medical Board and CMA, the Governor echoed his pattern on similar bills and vetoed it, claiming the Medical Board already had the authority it needed to address the issue. It was a disappointment. At the same time, we were encouraged by legislators' unanimous approval of the bill on both floors and in each policy and fiscal committee hearing.

Below is a summary of the other key bills CalDerm engaged on in 2010. All in all, it was a strange year that left many big pieces of business unfinished. (Except perhaps one: unlike in 1989, the Giants at long last won a World Series).

AB 223 (Ma), the Safe Body Art Act, would have required tattoo artists and body piercing shops to register annually with the local enforcement agency. The bill, which CalDerm supported, would have established statewide hygiene and reporting standards. Unfortunately, the Governor vetoed the bill on grounds that voluntary standards existed that counties could mandate if they wished.

AB 646 (Swanson) and SB 726 (Ashburn) would have expanded an existing pilot project that authorizes qualified health care district hospitals to directly employ a limited number of physicians. CalDerm opposed both bills, on grounds that these exceptional arrangements, if expanded, would jeopardize physician contracting in the larger community. AB 646 stalled in the Senate Health Committee while CalDerm and other physician groups had to mount a late, aggressive challenge to SB 726, which was resurrected near the end of the session. The bill ultimately failed to move off the Senate Floor. More bills that challenge the bar on the corporate practice of medicine are expected in 2011.

AB 1235 (Hayashi) aimed to improve the peer review system by ensuring that procedures such as the filing of Section 805 reports, are not manipulated or unreasonably delayed. The goal of the CMA-sponsored bill was to encourage greater physician participation in the process. AB 1325

was vetoed by the Governor.

AB 2600 (Ma) as introduced, required that the Medical Board of California "consider" adding a CME requirement on the diagnosis and treatment of hepatitis for physicians "whose practices may require such knowledge." Fortunately, the bill was "gutted and amended" in August to deal with a different policy area.

SB 1050 (Yee) This CalDerm-supported bill removed the two newly appointed naturopathic doctors from the Osteopathic Medical Board of California, correcting a rushed, poorly conceived merging of the oversight function of the two distinct profession. The Governor signed the bill in August.

SB 1106 (Yee) would have required a prescriber dispensing a drug sample or a starter kit to either (1) provide the patient with a copy of the FDA-approved package insert for the drug sample or starter kit or (2) ensure that the manufacturer's warnings are affixed to the package containing the drug sample or starter kit. Physician organizations largely opposed the bill, which failed to advance out of the Legislature by the August 31 deadline.

SB 1150 (Negrete McLeod) would have required the Medical Board to adopt regulations regarding the required level of physician availability in clinics using laser or intense pulse light devices for elective cosmetic surgery. The bill also would have required that any advertising by a chiropractor, dentist, physician and surgeon, osteopathic physician and surgeon, podiatrist, registered nurse, licensed vocational nurse, psychologist, optometrist, physician assistant or naturopathic doctor include the practitioner's professional designation following his or her name. SB 1150 stalled in the Assembly Appropriations Committee.

SB 1246 (Negrete McLeod) allows medical assistants supervised by naturopathic doctors to perform waived tests. CMA and other physician organizations withdrew opposition with the adoption of provisions ensuring that medical assistants have no greater scope of practice than those supervised by MDs. The Governor signed AB 1246.

Highlights from the 2010 CalDerm Annual Meeting

September 24, 25 & 26, 2010 • Fess Parker's DoubleTree, Santa Barbra



The Kathleen Adair, M.D. Advocacy Award presented to Barbara Miller Carson, wife of the late Robert Carson, Jr., M.D. Dr. Carson received the award posthumously having passed away in January 2010.



Richard Scher, M.D. gives the Victor Newcomer, M.D. Memorial Lecture.



Isaac Neuhaus, M.D., incoming President presents outgoing CalDerm President, Ann Haas, M.D. with a crystal gavel award in appreciation of her service.



The CalDerm President's Award is presented to the top three Resident Forum speakers (L-R): Aimee Paik, M.D., UC Irvine; Laura Chang, M.D., Kaiser Los Angeles; and Annette Czernik, M.D., UC Irvine.



Alexander Miller, M.D., Chair of the 2010 Annual Meeting

Congratulations to the CalDerm Annual Meeting Program Committee for orchestrating a very successful meeting with an outstanding line-up of speakers and attendance of nearly 200 dermatology physicians:

Alexander Miller, M.D.
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S. Brian Jiang, M.D., Co-Chair
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Daniel Gross, M.D.

Sharon Jacob, M.D.
Craig Kraffert, M.D.
Gary Lask, M.D.
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Anna McNay, M.D.

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Gary Novatt, M.D.
Sima Torabian, M.D.
Linda Wong, M.D.
David Woodley, M.D.

The CalDerm PAC plays a vital role in our efforts to protect Dermatologists on legislative and regulatory matters. This separate fund allows CalDerm to support legislative and executive branch candidates who will help Dermatologists on House of Medicine issues. CalDerm would like to thank the following members who contributed to the CalDerm PAC (political action committee) during the 2010 year.

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MauiDerm 2011 Contest Winner



Catherine Biren, M.D.

Congratulations to CalDerm member, Catherine Biren, M.D., of Modesto, winner of the 2010 membership recruitment campaign drawing. Dr. Biren will receive five nights lodging in an ocean view room at the Grand Wailea hotel on the island of Maui, HI and complimentary registration for her entire family to attend the MauiDerm 2011 Advances in Cosmetic & Medical Dermatology conference, February 23 – 27, 2011. This prize package is valued at approximately \$3,500. CalDerm would like to thank George Martin, M.D. of Maui, HI and his staff for their participation in this program. For more information on MauiDerm 2011, please visit <http://www.acmd-derm-hawaii.com/> or email information.services@acmd-derm-hawaii.com.

NEWS FOR CALIFORNIA DERMATOLOGISTS

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2011 Annual Membership Campaign

Unknown changes from national healthcare reform could have a dramatic impact on state regulations in California for Dermatologist and your continued support of CalDerm is needed now more than ever. The 2011 Annual CalDerm membership campaign is underway and we ask that you please help maintain the integrity of our profession in California by renewing your membership or becoming a dues paying member of CalDerm. Many CalDerm physician volunteers work on your behalf to protect your business and healthcare practice interests here in California and dues resources are necessary to keep that momentum going.

CalDerm is the only organization that exclusively represents California dermatologists before the California State Legislature and state regulatory agencies, and works to ensure that California dermatologists are collectively represented on issues that impact you each day. Please see the cover story of this newsletter for a summary of

how CalDerm represented you in the 2010 legislative session. There will be significant leadership changes in the State Capitol and CalDerm is armed and ready to meet any challenges head-on for Dermatology and medicine.

CalDerm volunteers serve on committees that analyze important legislative and regulatory issues, develop the annual meeting program that brings accredited continuing medical education to you here in California, and pools expertise to lend fellow members advice and guidance. CalDerm volunteers also represent California Dermatologists on a number of advisory committees at both the state and national levels.

CalDerm has also worked with several local dermatology societies in California to bring CME opportunities closer to home by providing CME credits for your local and regional meetings. And each year, CalDerm hosts Skin Cancer Awareness Day at

the state capitol where volunteer members offer a free skin screening clinic for Legislators, their staff and the staff of many key state agencies.

NEW! This year, CalDerm is introducing two new dues paying programs. The first is a discount incentive for multi-year dues renewal – members who renew for two years receive a 15% discount and a 20% discount for renewing for three years. In addition, members who renew membership on the CalDerm web site will now have the option of automatic renewal each year – you will be notified each year before your credit card is charged.

**Join CalDerm Today!
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Go to: www.calderm.org
and click on Membership
Information.**