BLUE CROSS MINUTES
March 2, 2015 RIC/RAC Meeting

BCBS REPRESENTATIVES PRESENT:
Mr. Michael Lombardo
Mr. Chris Dobbs
Mr. David Posey

FACILITATORS PRESENT:
Mr. Wesley Ashmore
Ms. Karen Northcutt

MR. ASHMORE: I'd like to welcome Michael Lombardo, Chris Dobbs, and David Posey from Blue Cross today.

MR. DOBBS: Jennifer Nelson is out sick this week. I'm filling in for her, just in case you are wondering where Jennifer is.

1. Follow up to Question 4 from November 3, 2014. With ICD-10 being implemented when do you plan to have a new processor that can process additional codes?

   Response: **At this time there is no timeframe available.**

   Discussion at meeting

   MR. LOMBARDO: I did want to add to that, for ICD-10, that we are in the middle of testing for ICD-10 with both providers as well as vendors. We have set up some end-to-end testing, which is available at the vendor level in which they can submit a claims file to us with test information, with ICD-10 codes, and we'll return both an audit report as well as a remittance. We're on a biweekly schedule for that. And so we've been actively reaching out to all of our vendors, and that opportunity is there for them to partake. And we expect that we're going to see more and more test files come in as we get closer and closer to implementation date.

   And on the professional level, we also have some front-end testing which would allow a single provider to submit a test code themselves to our system and have results returned the following day.

   I just wanted to make you aware that ICD-10 is definitely something that's very high on our priority list, and we are actively working. And you can always go to our website. We have a section with information. Anything that comes out relating to ICD-10, we update it as often as possible.

   And as far as we know, October the 15th is still the deadline, and we haven't heard anything differently. So if you have any questions about whether or not your vendor is testing or want to know anything about your vendor, you can either call them directly or you can reach out to us at Blue Cross and we can help you there as well.

MS. NORTHCUTT: Medicare has kind of come out with what they were planning to do. But if an inpatient stay spans that date, September 30 and October 1, do you know if you're going to have a split inpatient bill or use the discharge date?

MR. POSEY: At this point, split bill.

MS. NORTHCUTT: At this point, there will be a split bill. Okay.

MR. POSEY: Yes.

MR. LOMBARDO: Is that what Medicare says?

MS. NORTHCUTT: Medicare is going to have it all coded in I-10 because of the DRG. They couldn't process both on the same claim. So they're processing under I-10.

MR. POSEY: We'll do a split bill.

MR. LOMBARDO: Yeah. Because we cannot process a 9 and a 10 on the same claim.

THE SPEAKER: And that's going to be for inpatient and outpatient?

MR. POSEY: Yes, if it goes over those two days.

THE SPEAKER: Okay. Good.

THE SPEAKER: If your claim goes over two days, from 9/30 into 10/1, you're saying we need to split the claim?

MR. POSEY: Correct.

THE SPEAKER: Inpatient and outpatient?

MR. POSEY: Correct.

MR. LOMBARDO: Yes. Because we are not capable of processing a single claim with both a 9 and a 10 code on it of any kind.

MR. ASHMORE: Do we have any other questions?

(No response)

2. Botox J0585 (*OnabotulinumtoxinA*). The policy states max. units for migraine is 155. Botox comes in 100 unit vials. If the hospital bills 200 units to include waste, will BCBS edit the billed units of 200 because it's over the allowable 155?

If the waste was billed for 45 units with JW modifier on a separate line from the 155 units, how would this claim be processed?

Response: **You should only bill the amount used.**

Discussion at meeting

THE SPEAKER: This isn't just about Botox, of course. This is about any vial that's purchased and the physician cannot use the whole vial and the remainder is wasted. So we have the cost of the entire vial. It's not uncommon in neurology to use 10 units. 90 units is wasted.

All other payers we have no problem billing for the entire vial. You know, in a setting where it's mixed, in the pharmacy setting, we don't have waste because it's mixed in a sterile environment. But something like Botox, it does not go through that process. So we have a great expense for that entire vial. We cannot purchase it in any lesser units.

So what's the logic for not paying, and what's our options?

MR. DOBBS: I wrote down what you have said. You said everything is used or wasted and you said all the other payers do pay for wastage.

THE SPEAKER: Yeah. So Medicare, I have no problem billing the waste.

MS. NORTHCUTT: I think one of the issues is more of an FDA standard because they're single dose vials, and you're not supposed to use a single dose on multiple patients, with the exception of if they're mixed under a hood and you have a single dose vial and they're actually split into single smaller doses by a pharmacy under a flow air hood you know, all this regulation. But most of that time, that's chemo drugs. But, otherwise, if we're wasting anything on the floor, it's usually a single dose vial that can't be used on anybody else. So that's why most of the payers, Medicare included, actually reimburse for the entire single dose vial.

MR. DOBBS: I don't have an answer for you right now, but I can definitely get one.

THE SPEAKER: And just out of curiosity, sometimes drugs are supplied by a specialty pharmacy and our hospital administers, and that occurs sometimes with Botox. So you only pay the specialty pharmacy for 10 units when they supply 100 unit vial? I can't imagine them agreeing to doing that. And so just food for thought.

MR. LOMBARDO: If I remember right, within the past two or three years, this same question came up in this group.

THE SPEAKER: The question came up in November.

MR. LOMBARDO: Yeah. So I would say that I don't remember what the answer was.

THE SPEAKER: The answer was yes, we can bill for waste.

MR. LOMBARDO: I don't want to step over anything, but I do remember that and that's what I'm saying. So we'll have to take that back and see. Because if it's not happening and we told you it is going to happen then we need to check because I remember the question and I remember it came up.

THE SPEAKER: Well, since that came up in November, our rep, Catherine Miller, has instructed us that, no, that was incorrect. So we're back to square one.

MR. LOMBARDO: Well, let us get with Catherine and go back and see what makes her think it's incorrect and what made us think it was correct when we answered in November, and we'll come up with an answer that we can send to Peggy at AlaHA.

THE SPEAKER: It's a very important question for many, I'm sure.

MR. LOMBARDO: Yeah. I remember this very question and the issue, and I thought it had been answered. But sounds like it's been answered incorrectly.

THE SPEAKER: Thank you.

MR. DOBBS: Thank you.

THE SPEAKER: So you'll let us know about all medication, whether it's a waste? It's not just Botox?

MR. DOBBS: Yes.

MR. ASHMORE: Do we have any more questions?
(No response)

3. Are there any new updates on changing the per diem payment system?

<u>Response:</u> Blue Cross and Blue Shield of Alabama will be implementing the multi-year transformation of our payment methodologies starting July 1, 2015. We have communicated information in several presentations and correspondences over the past few months. To summarize:

- **We will transition away from a single per diem to multiple per diems. We will determine a single base per diem, per hospital, to serve as the basis for determining each facility's various per diem levels.**

- **We will expand the existing POF ASC fee schedule. Most notably, we will increase the number of surgical procedures allowed and move from a grouper payment system to a fee schedule. Other changes will include modifications to the processing rules for multiple procedures on the same day.**

- **Multiple per diems and the expanded POF ASC fee schedule will be implemented simultaneously at each hospital on their rate renewal date, beginning July 1, 2015. Both inpatient and outpatient rates will be adjusted in order to maintain budget neutrality at each hospital.**

Discussion at meeting

THE SPEAKER: Have you posted anything about the new payment methodology yet on your website? Because I went looking for it, and I didn't find anything. And that was last week, I think.

MR. DOBBS: No. At this time, it's not up there, but we are working toward that. It shouldn't be much longer.

MS. NORTHCUTT: Yeah. I think that letters went out to CEOs or administration.

MR. DOBBS: Yes, you're correct. And that should translate to the website soon.

THE SPEAKER: This will hook back into number one also. If your per diem payment system is like I'm assuming, it will be like severity-based levels or something; is that correct? To come up with different payments?

And if the answer to that is yes, and then in question number one, you say your system is not going to process additional codes, which kind of negates the severity of a patient, how do you propose to have a fair system?

MR. DOBBS: I don't know the answer to that one right now, but I can certainly research.

MS. NORTHCUTT: And I think one of the main issues on that is claim processing - I think you will probably process through a DRG grouper. But as far as outpatient claims I think you're talking about that principal diagnosis - our age-old problem of only adjudicating, especially on the outpatient, on the first diagnosis code for medical necessity. So I think you can read them all and probably group them all, but adjudication on the I-9 code on outpatient anyway I think is the problem with the current processor.

MR. DOBBS: Yes.

MS. NORTHCUTT: We've been waiting for a very, very long time.

MR. DOBBS: For a very long time.

MS. NORTHCUTT: I'm going to be retired. I'll come back to see.

MR. ASHMORE: Do we have any other questions?
(No response)

4. In lieu of Alabama Medicaid requiring facilities to bill secondary claims at line item level, how does BCBS plan on providing line level adjudication CAS codes when BCBS is Primary?

   Response: **We will not be able to provide line level adjudication.**

5. Are you ready to accept the new subset modifiers for modifier 59?

   Response: **Yes, we are ready to accept the new subset modifiers for 59 on claims with dates of service on or after January 1, 2015.**

Additional discussion at meeting

THE SPEAKER: We noticed it looks like Blue Advantage auditor Connolly is ramping up again on some Blue Advantage audits. And we have had some significant issues where Connolly will send us a request for medical records and we submit the records timely, within the 45 days. And then, like, two months later, we get a letter saying that we never submitted them and that we only have 15 days to respond. And when we call Connolly, they say, oh, well, we just haven't had time to log your request. Just ignore that second letter. Well, that's a problem because it's an official letter saying we need to respond, and if we don't, they're going to deny our claims.

So I guess is there someone at Blue Advantage, at Blue Cross, who can help us with this issue and the issues that we usually have with Connolly? Because they just seem to multiply.

MR. DOBBS: I'm sorry. Which facility do you represent?

THE SPEAKER: Mobile Infirmary Medical Center in Mobile.

MR. DOBBS: So you have either Phillip Casey or Sharon Malone?

THE SPEAKER: We have Phillip Casey.

MR. DOBBS: Phillip should be able to help with that. It probably won't make you feel any better, but I've had complaints from other facilities as well. And Connolly has supposedly fixed that. Have you had any problems as of late?

THE SPEAKER: Well, this was the last request that we had in December. We just received a new request the other day. It is still a problem.

THE SPEAKER: Another problem, and we've had this in the past, we have an appeal that's been outstanding since 2012. We last spoke with Connolly on February 13th of this year, and they say, yes, that they are still reviewing that. And that's been 2012.

MR. DOBBS: Wow. Well, we definitely need to get Phillip involved in that. He can help. Phillip Casey.

THE SPEAKER: I'll send him an e-mail. We've reached out to him several times and didn't get a reply.

MR. DOBBS: I'll make sure that I contact him as well, this afternoon.

THE SPEAKER: Thank you.

MR. ASHMORE: Any more questions?

(No response)

MR. ASHMORE: Thank you for coming today.