

**\* MOUNTAIN STATE BLUE CROSS BLUE SHIELD MEDICAL POLICY  
AND SERVICES PERFORMED IN A FACILITY SETTING \***

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DECEMBER 28, 2010

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**TO:** (1) CHIEF FINANCIAL OFFICER  
(2) DIRECTOR/MANAGER OF PATIENT ACCOUNTS  
(3) BILLING OFFICE STAFF  
(4) CARE/CASE MANAGEMENT OR UTILIZATION REVIEW DEPT.

**FROM:** MOUNTAIN STATE BLUE CROSS BLUE SHIELD PROVIDER  
RELATIONS

**SUBJECT:** MOUNTAIN STATE BLUE CROSS BLUE SHIELD MEDICAL POLICY  
AND SERVICES PERFORMED IN A FACILITY SETTING

**REFERENCE:**

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**PURPOSE**

This bulletin notifies providers that Mountain State Blue Cross Blue Shield (Mountain State) is preparing to apply certain medical policies to services rendered in the facility setting to members with coverage under Mountain State's products.

**BACKGROUND/OVERVIEW**

Mountain State develops medical policy as the foundation for determining coverage eligibility for certain health care services rendered to members of its Commercial products. Mountain State continually reviews its existing medical policies to ensure that they reflect evidence-based medicine, the current standard of care and the appropriate place of service.

In the past (and currently), Mountain State has applied its medical policies concerning cosmetic and experimental/investigational services to facility business. Mountain State has determined that certain additional medical policies, where appropriate, will also be applied to services rendered in the facility setting. Mountain State will assess whether newly developed or updated medical policies will be applied to services rendered in the facility setting. If it is determined that a particular

Medical Policy does apply to services that could be performed in a facility, facilities will be notified of the applicability of such policy before its implementation by Mountain State. The application of medical policy is consistent with Mountain State's care and cost management programs.

### **Place of Service Requirements to be Added to Some Mountain State Medical Policies**

In addition, Mountain State will begin adding place of service requirements to some of its medical policies, to clearly define the most appropriate setting – inpatient or outpatient -- for specific services (absent extenuating clinical circumstances). This information will appear at the end of the “Indications and Limitations” section of the applicable Mountain State Medical Policy, under the heading **Place of Service**.

As facilities are aware, a link to Medical Policy is available for their use via the **Provider** tab on the Mountain State home page.

### **Advance Notification about Place of Service Designations**

Mountain State provides advance notification to the provider network about updates to Medical Policy via the *Provider News* online newsletter. Going forward, each time place of service requirements are added to Medical Policies, an article will be published to announce the changes and their respective effective dates.

*Mountain State will also alert facility providers about the addition of place of service requirements to specific Medical Policies through a corresponding facility bulletin.* The bulletin will list the affected services, along with the Medical Policy number, the designated place of service and the effective date of the change.

### **Timing of the Notification to Providers and the Publication of the New or Updated Medical Policy**

Mountain State Medical Policy as displayed on the website is the **current** version, and it is effective at the time when the user accesses it. Users also have the ability to access and review **previous** versions, if they need to see what the terms of the policy were before the effective date of the current version. **However, users cannot display a version of the Medical Policy that will become effective at a later date.**

The *Provider News article* and the corresponding facility bulletin provide **advance notice** of a new Mountain State Medical Policy or an update to an existing one. However, the new policy or the update does not become effective at the time of the notification and will not be available on the website until the actual effective date of the policy. Below is a summary of the timing:

- *Provider News* article is published approximately **90** days before the effective date of the new or updated Medical Policy.
- The corresponding facility bulletin is published approximately **60 days before the effective date** of the new or updated Mountain State Medical Policy.

- The Medical Policy itself is available on the website **on and after the effective date of the policy.**

### **New Tool for Ongoing Reference: Cumulative Listing of Mountain State Medical Policies That Include a Place of Service Requirement**

To help providers keep track of Medical Policy-associated place of service requirements after the initial notification, Mountain State is introducing a new reference tool titled “Medical Policies with Place of Service Requirements.” This is a cumulative listing of all Mountain State Medical Policies that include a place of service requirement. The reference tool will be made available to facilities via a new Web page from the Provider Resource Center. Each entry on the cumulative listing will include the following elements, for providers’ ongoing reference:

- Policy topic
- Designated place of service
- Effective date of the requirement
- Link to the *Provider News*
- Number of the associated Medical Policy

A link to the Medical Policy Search page will be provided to enable a user to access the updated Medical Policy once it has been published (approximately 60 days after the date of the facility bulletin).

### **Additional Communications When Material Impact is Identified for Facilities as a Result of Place of Service Requirements**

If a Place of Service requirement included in a Mountain State Medical Policy is determined to have a material impact, Mountain State will also notify the relevant provider type(s) via a facility bulletin.

## **IMPACT/ACTION**

### **Provider Responsibility for Compliance with Applicable Mountain State Medical Policies**

Providers are responsible for establishing internal procedures to ensure compliance with Mountain State Medical Policy as it applies to their business. Facilities are encouraged to utilize all the communications and publications that Mountain State makes available to support them in complying with this responsibility. As detailed above, these include the following:

- Link to the Mountain State Medical Policy website from the Provider tab on the Mountain State Blue Cross Blue Shield home page;
- Facility bulletins, as applicable, for specific Mountain State Medical Policies that apply to facilities; and
- Cumulative listing of Mountain State Medical Policies that include Place of Service requirements to be made available on the Provider Resource Center

### **Determining Whether Mountain State Medical Policy Criteria Are Met in a Particular Instance**

The professional provider(s) responsible for a procedure to be performed in a facility setting may initiate the process of determining whether the criteria published in a Mountain State Medical Policy are met with respect to a particular patient. Facilities must coordinate with the ordering and/or performing professional provider before the date of service to identify whether this has occurred. If it has not yet occurred, the facility should work with the ordering and/or performing provider, as necessary, to make this determination. Alternatively, the facility can initiate an inquiry through the Customer Service Center, at **1-800-242-0514**, if there are concerns about whether the facility services to be performed meet applicable Mountain State Medical Policy criteria.

### **Claim Impacts Based on Application of Mountain State Medical Policy**

Although claims for services impacted by Mountain State Medical Policy may be paid when submitted, Mountain State reserves the right to review such cases retrospectively to ensure that payments made were appropriate based upon the applicable Medical Policy requirements. Complete and careful documentation must be maintained in the member's medical record in case of any such post-payment review. If it is determined that Mountain State Medical Policy requirements were not met in a particular case, and, therefore, a service is not eligible for coverage, the payment Mountain State has made for the services will be retracted. As always, if the facility disagrees with the result of such a review, it can appeal the decision.

In accordance with Mountain State's policy on denials for medical necessity reasons (including clinical appropriateness as to site of service), the member cannot be billed unless he or she has specifically agreed in writing, **in advance of the service**, to be financially responsible for the entire expense. This financial responsibility agreement must specify the procedure to be performed and include an estimate of the cost of the procedure. **The general waiver document routinely signed by patients at admission or registration is not sufficient for this purpose.**

### **Reminder: Admissions and Select Outpatient Procedures Requiring Authorization**

As a reminder, all inpatient admissions require prior authorization under all Mountain State products. In addition, select outpatient procedures and services may require prior authorization. The most current list of outpatient procedures requiring authorization can be accessed via a link from the Provider Resource Center. Providers are responsible to ensure that any such requirements are met before rendering a service.

## **EXCEPTIONS**

The changes discussed in this bulletin do not apply to Highmark Health Insurance Company's (HHIC's) Medicare Advantage business, which is governed by regulations and policies developed and promulgated by the Centers for Medicare & Medicaid Services. Medicare Advantage Medical Policy applies to services rendered to members with coverage through FreedomBlue<sup>SM</sup> PPO and (until January 1, 2010) FreedomBlue PFFS.

## **ASSISTANCE**

### **This Bulletin**

Questions regarding this bulletin may be directed to your assigned External Provider Relations representative.

**Inquiries about Eligibility, Benefits, Claim Status or Authorizations**

For inquiries about eligibility, benefits, claim status or authorizations, Mountain State and HHIC encourage providers to use the electronic resources available to them – NaviNet and the applicable HIPAA transactions (HIPAA 270/271 Benefits Eligibility Inquiry and Response) – prior to placing a telephone call to the Provider Service Center.

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