

PreferredOne

UPDATE

A NEWSLETTER FOR PREFERREDONE PROVIDERS

October 2002

PreferredOne

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Secure Site
<https://secure.preferredone.com>

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www.preferredone.com

NETWORK MANAGEMENT UPDATES

CREDENTIALING UPDATE

by Kathy Grigsby, Credentialing Supervisor

Re-Credentialing

PreferredOne has made a decision to no longer use IDS/Credential One for recredentialing. We have contracted with GeoAccess, Inc., a Credentials Verification Organization (CVO), to take over the recredentialing process. GeoAccess Inc. is the nation's largest independent credentialing solutions vendor. PreferredOne has used GeoAccess for initial credentialing and has decided to utilize them for recredentialing as well. In September we provided GeoAccess with a roster of PreferredOne practitioners born in odd years with a December, January, February and March birthday. A recredentialing packet was mailed out for these practitioners that included:

- an application profile
- attestation/release forms
- return envelope
- instructions for the recredentialing process

GeoAccess provides an application profile rather than a pre-populated application for practitioners that are due for recredentialing. The profile needs to be reviewed and marked with any changes or additions. We hope that this will be faster and easier than having to complete an entirely new application.

What this change means to you, is that you will now receive recredentialing packets and other communications from GeoAccess. You no longer need to send any applications for PreferredOne practitioners to IDS/Credential One.

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Exhibits

Exhibit A

Reimbursement for Ass't Surgeons & Physicians Extenders Working at Ass't Surgeons Policy

Exhibit B

Outpatient Mental Health/Chemical Health Authorization Form

Exhibit C

Medical Policy Index August

Exhibit D

Medical Policy Index September

The PreferredOne Insurance Carrier – TPA Payer Relationships Listing is available on the Secured Site, or you may call PreferredOne at 800-451-9597 or 763-847-4000. Ask to be transferred to Network Management to request a paper copy.



*The PreferredOne Provider Update is now available on the secured site at <https://secure.preferredone.com>.



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Initial Credentialing

As updated in the July 2002 newsletter, PreferredOne will issue a provisional practitioner number after the application is returned to PreferredOne from GeoAccess, barring there are no problems. Effective dates may be retroactive to the practitioner's start date if the applications were initially received at PreferredOne no later than 30 days after the practitioner start date. Applications received greater than 30 days after the practitioner start date will be limited to a backdated effective date of 30 days prior to the receipt date of the application. PreferredOne will be unable to accept appeals for timely filing claims denials for these practitioners.

The provisional number becomes the permanent practitioner number only after the completion of the entire credentialing process. The completion of the entire credentialing process, including approval by the PreferredOne credentialing committee and board, may take up to an additional 60 days from the CVO verification.

The credentialing department is in the process of auditing all practitioner credentialing records. Upon review, we have discovered that some practitioners never went through the initial credentialing process. Typically, the practitioners identified have been with PreferredOne for many years. Because we need to have all participating practitioners credentialed, GeoAccess will mail applications to about 200 practitioners who have been identified as never having been credentialed. Practitioners are asked to complete and return these applications within 60 days of receipt to ensure continuing participation status and claims payment. This will not affect practitioner identification numbers.

If there are any questions regarding this special request please feel free to call 763-847-4400 and ask for credentialing.

FEE SCHEDULE UPDATE

by Gunnar Nelson, Director, Network Pricing and
Paul Moreno, Director Analyzing & Reporting

Professional Services:

PreferredOne's Physician Fee Schedules are complete and will become effective for dates of service beginning January 1st 2003. The PreferredOne PCHP and PAS overall professional services reimbursement will increase by 5%. The PPO will follow the same methodology, and while the conversion factor will remain constant, it will receive the new RVU update.

Physician fee schedules will be based on the 2002 Resource Based Relative Value Scale (RBRVS). Non-Medicare relative value units will be based on Relative Value Studies Inc.'s Complete RBRVS. Immunizations, HCPC and a few CPT codes will be adjusted to reflect local market values.

The 2003 Physician fee schedules will continue to use the RBRVS Site of Service differential for the surgical code range (10000 – 69999). This will not require any changes in billing practices from providers. The practice site will be determined by the value in box 24B on the HCFA1500 form.

PreferredOne will decrease the current default discount rates and will manually adjust the plan's top 100 utilized lab codes

to reflect a fee in excess of Medicare rates. In addition, PreferredOne Administrative Services will continue their practice of not bundling for multi-channel labs unless it applies to an existing panel.

As with prior updates, the effect on physician reimbursement will vary by specialty and the mix of services provided.

Requests for a market basket fee schedule may be made in writing to your Provider Relations Representative.

Hospital Services:

UB92 Fee Schedules

The 2003 Calendar year DRG schedule will be based on the CMS DRG grouper Version 20, released October 2002.

Ambulatory Surgery Center (ASC) code groupings will be updated to include any changes made by Medicare in 2002. Any surgical CPT codes not included in the Medicare ASC grouper will be reviewed and added to the appropriate category.

ICD9 based fee schedule codes will remain constant and the rates will be increased by 3.5%.

The Hospital (UB92) CPT schedule will be based on the 2002 Complete RBRVS relative value scale. The schedule will consist of the current code ranges: Lab, Radiology, Therapy, minor (non ASC) surgical codes, Office Visits, Immunizations and Supplies.

Reimbursement for the hospital CPT schedule will be at the physician rates with the following exceptions:

- Global Radiology codes are set to the Technical Component only
- Therapy codes are set at Allied Health rates
- Minor surgical procedures and office visit codes are set to the RBRVS Practice Expense Value

The codes will be updated throughout the year to match current terminology.

APC/APG Payment Structure:

PreferredOne will not be implementing APC or APG style payment methodologies for 2003. The systems, however, are being evaluated for future use. If you have comments or suggestions regarding this style of payment structure, please send them to OP.Payment@PreferredOne.com. All input is appreciated.

Off Cycle Fee Schedule Updates:

On July 1, 2003, the fee schedules will be amended to include new codes and adjustments will be made to accommodate major definitional changes.

New ASA codes for Anesthesia services will be updated with the 2003 release of Relative Value Guide by the American Society of Anesthesiologists. This update will take place by March 1, 2003.

PAYER UPDATE

by Dan Van Orsow, Supervisor Provider Relations

United Health Networks

United Health Networks (UHN) has notified PreferredOne of their intention to terminate the use of the PreferredOne PPO network in 2003. The specific date has not yet been confirmed. PreferredOne will notify you when this date is determined. If you would like more information, please contact your Provider Relations or Contracting Representative.

CIGNA HealthCare

Beginning on Sept 23, 2002 and through the first of 2003, new ID cards are being issued to CIGNA members. The reasons for the changes are to provide more information and make the cards easier to read and interpret. Initially, the new cards are only going out to members who request them or have a plan change. By year end 2003, all cards will be re-issued.

Some of the changes you will be most interested in are:

- The PreferredOne logo has been enlarged.
- The word 'copay' will no longer print above the list of co-pays.
- The Cigna logo display has changed. The CIGNA Tree is now shaded and in the background.
- The email address, www.cigna.com, has moved to the back of the card.

The back of the card will continue to reference PreferredOne's name and claim submission address.

CODING UPDATE

by Elaine McLinden, Manager Coding

Changes In Reporting Units For Mental Health & Speech Services

The American Medical Association's CPT manual does not have time specification for certain mental health and speech services. For the past several years, Minnesota payers allowed these services to be submitted per 30 minute units for uniformity purposes.

However, industry standard views these services as a single event.

In anticipation of the implementation of HIPPA, PreferredOne will move to the industry standard of a single event beginning January 1, 2003. The following services must be submitted with a single unit of service.

Mental Health services:

90801, 90802, 90846, 90847, 90849, 90853, 90857

Speech Therapy services:

92506, 92507, 92508

Visual Acuity Screening:

Visual acuity screening performed during a preventative medicine visit requires patient's active participation by reading a snellen eye chart. Because of the active participation requirements, PreferredOne will be limiting the visual acuity screening to patients over the age of two.

Fellows Working As Assistant Surgeons:

Fellows who are acting as an assistant surgeon as part of their educational/training program cannot submit claims for assistant surgeon services.

However, fellows who are working outside the scope of their educational program can apply to PreferredOne for their own provider number. Assistant surgeon services will be eligible as long as the procedure requires an assistant surgeon, and is submitted under the fellow's own provider number on a HCFA 1500 separate from the surgeon. See revised policy (Exhibit A) in this newsletter.

OUTPATIENT MENTAL HEALTH/CHEMICAL HEALTH AUTHORIZATION FORM

by DiAnn Smith, Manager Utilization Management

Attached as Exhibit B is the newly released Universal Outpatient Mental Health/Chemical Health Authorization Form. It will be implemented by PreferredOne on 12/1/02.

PreferredOne has participated in The Standardized Outpatient Mental Health Authorization Forms Technical Advisory Group. This group developed and submitted the final version of the Universal Mental Health /Chemical Health Authorization Form to the Administrative Uniformity Committee (AUC) for approval; the form was accepted and approved for use.

The AUC is a broad-based group representing Minnesota health care public and private payers, hospitals, health care providers and state agencies. The mission of the AUC is to develop agreement among Minnesota payers and providers on standardized administrative process when implementation of the processes will reduce administrative costs.

The Universal Outpatient Mental Health/Chemical Health Authorization Form will replace the current outpatient mental health treatment plans used by PreferredOne. Providers are required to use the new form by December 1, 2002. This change should result in a reduction of administrative costs for providers.

To obtain a copy of this form you may contact PreferredOne Intake at the number mentioned below. This form will also be made available in the near future on the PreferredOne web site at: www.preferredone.com and on the AUC website at: www.mhdi.org/auc.

Mail completed authorization forms to PreferredOne, Intake Dept., 6105 Golden Hills Drive, Golden Valley, MN 55416. Incomplete forms will be returned to the provider.

Please continue to contact PreferredOne Intake at 763-847-4400, option # 2 or 1-800-451-9597, option # 2, to open a case if you intend to see a patient beyond 10 visits. It is always prudent to check with the payer for benefit information prior to the initiation of treatment.

MEDICAL MANAGEMENT UPDATE

by Dr. John Frederick, Vice President/Chief Medical Officer

Over the last year, Mary Jo Kingston, our Director of Disease Management, has implemented a number of Disease Management initiatives for PreferredOne members. This includes the rare, highly complex diseases managed by Accordant, Diabetes management by McKesson, and other initiatives done internally by PreferredOne staff. Please see previous newsletters for further information on the programs. We are now on the verge of being able to evaluate the outcomes of our experiences. The intent is to determine where our initiatives have had the most impact and to use that data to help set the Disease Management plan for 2003.

We are very interested in any feedback or recommendations you may have on our programs as we formulate our plans for 2003. Our intent is to work with the practitioners to improve the health of our members. We can do a better job of supporting your care of our members if we can get your input.

Specific areas we need to hear about are:

1. When and how has a plan's disease management program hampered your care for a patient?
2. When and how has a plan's disease management program helped your care of a patient?
3. Which specific disease management programs of PreferredOne or other plans, have been particularly helpful, or hindering, in your care of patients?

Please get information to me at 763-847-3051 or john.frederick@preferredone.com so we can maximize the benefit of our Disease Management efforts at PreferredOne.

EPISODE TREATMENT GROUPS (ETGs)

by Sarah Cook, Manager, Data Analysis

ETGs is a classification methodology for organizing and structuring episodes of treatment to measure cost and use efficiency. Each ETG represents a type of illness or condition and categorizes medical services into episodes. ETGs use procedure (CPT-4) and diagnosis (ICD-9) codes to assign services to an ETG regardless if they are inpatient, outpatient, or both.

PreferredOne has been mailing out ETG reports to primary care medical groups for over a year. In the first quarter of 2003 we will be sending a survey along with the reports. The purpose of the survey is to get feedback on the reports and develop a focus group of physicians to work with our analysts to improve the information we provide to medical groups.

PreferredOne will also start sending reports to specialty providers early in 2003. If you do not receive a report, that means the medical group does not have enough episodes for the reports to have significance. However, we would like to meet with any group interested in learning more about the ETG reports. Please contact your Provider Relations Representative to schedule a meeting.

If you feel you should be receiving reports but haven't, or have any questions or comments, please contact Sarah Cook at 763-847-3534.

MEDICAL POLICY UPDATE

by Joni Riley, Medical Policy Specialist

Medical Policies continue to be available on the PreferredOne secured web-site. The secure web-site address is <https://secure.preferredone.com>. Sometime before the first of the year Medical Policies will be available on www.preferredone.com, which will allow both providers and members access to PreferredOne Medical Policies without registering first. Medical policy indexes are attached, indicating new and revised policies approved by recent meetings of PreferredOne's Medical/Surgical Quality Management Subcommittee. Please add the attached Medical Policy indexes (Exhibits C & D) dated August and September to the Utilization Management section of your Office Procedures Manual.

If you wish to have paper copies of policies or you have questions feel free to contact me at (763)-847-3238 or on line at jriley@preferredone.com.

HIPAA PRIVACY AND SECURITY

by Deb Doyle, Director of Quality

The HIPAA Privacy regulations were finalized and released on August 14, 2002. PreferredOne has hired a HIPAA Privacy Compliance Consultant to assist in our efforts to ensure compliance with the privacy regulations by the April 14, 2003 deadline. We continue working on our gap analysis to identify contracts, policies, and procedures that need to be written or modified for compliance with the privacy rules. A new orientation and training program for all current and new employees is being developed and will be provided during the first quarter of 2003.

PreferredOne has applied for the compliance extension to the Transaction and Code Sets regulations for PCHP and PPO. We are currently implementing a HIPAA-compliant version of our adjudication software, and we will begin testing the mandated transactions prior to April 16, 2003.

Internal security processes and procedures are also being analyzed for compliance with the proposed Security regulations. Some of the proposed requirements have already been implemented, and we are working with our external auditors to identify systems and procedures that need to be upgraded.

If you have any questions regarding PreferredOne's efforts to become compliant with the HIPAA Privacy and Security regulations, please feel free to contact Debra Doyle, Privacy Officer at 763-847-3228 or deb.doyle@preferredone.com or Ed Stroot, Transaction and Code Set Project Manager, at 763-847-3323 or ed.stroot@preferredone.com.

