

July 6, 2018

TO: Executive Officers and Chief Financial Officers, Member Institutions

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DMA Announces New Commercial Insurance Disallowance Process

The NC Division of Medical Assistance (DMA) announced that its Third-Party Liability (TPL) contractor, Health Management Systems, Inc. (HMS) will implement a Commercial Insurance (CI) Disallowance project to streamline North Carolina's coordination of benefits and direct billing processes. The expected date of implementation is Oct. 1, 2018. HMS will validate policy coverage for all claims selected for CI disallowance to mitigate unnecessary work on the part of providers, loads the data into the Provider Portal and then initiate the CI disallowance billing cycle. Providers will bill the primary insurance and should receive their contracted rate from that payer. Medicaid will then seek to recover only its paid amount, which should be less than what the primary insurance carrier paid.

To prepare for this change, HMS will be offering the following webinars to assist providers in understanding the new process:

CI Disallowance Overview (Hospital)s – Aug. 7, 2018 – 10:00 a.m.
CI Disallowance Overview (Physicians) – Aug. 9, 2018 – 10:00 a.m.

This announcement was included in the July 2018 Medicaid Bulletin (page 9 Commercial Insurance Disallowance) which can be found by clicking on the Medicaid Bulletin 2018_07 link at:
<https://dma.ncdhhs.gov/documents/2018-medicaid-bulletin-and-index>.

CMS Releases CY 2019 Home Health Proposed Rule

The Centers for Medicare & Medicaid Services (CMS) issues a proposed rule that updates the Medicare Home Health Prospective Payment System rates and wage index for calendar year (CY) 2019. The rule would increase net home health payments by 2.1% (\$400 million) relative to CY 2018. For CY 2020, CMS proposes to implement an alternative case-mix adjustment methodology, the Patient Driven Groupings Model (PDGM). The PDGM would use 30-day periods, rather than 60-day episodes, and relies more heavily on clinical characteristics and other patient information. PDGM would be implemented in a budget neutral manner on Jan. 1, 2020.

CMS will accept comments on the proposed rule through Aug. 31, 2018.

The proposed rule can be found at: <https://go.cms.gov/2KVwV8F>. Please refer to this week's NCHA *Financial Feature* for more details.

CMS Delays Due Dates for New Bundled Payment Model

The Centers for Medicare & Medicaid Services (CMS) has extended the deadline for submitting signed participation agreements and selecting clinical episodes for the Bundled Payments for Care Improvement Advanced model by one week to Aug. 8, 2018 and the due date for program deliverables to Sept. 14, 2018. The updated model timeline can be found at:

<https://innovation.cms.gov/Files/x/bpci-advanced-timeline.pdf>.

GAO Issues Report on 340B Contract Pharmacy Oversight

The Government Accountability Office (GAO) issued a report on June 28, 2018, regarding federal oversight of compliance at 340B program contract pharmacies. The report, “Drug Discount Program: Federal Oversight of Compliance at 340B Contract Pharmacies Needs Improvement”, was issued in response to a request by the House Energy and Commerce (E&C) Committee Republicans. A summary of key findings is presented below:

- About one-third of covered entities had one or more contract pharmacies to dispense 340B drugs on their behalf.
- 30 of the 55 covered entities reviewed provided discounts on 340B drugs to low-income, uninsured patients at some or all of their contract pharmacies. Of these, 23 passed on the full 340B discount to patients. Federal grantees were much more likely than hospitals to provide discounts. Several covered entities that reported not providing discounts through their contract pharmacies nevertheless reported providing discounts through other means, such as in-house pharmacies.
- Of the 30 contracts reviewed by GAO, all but one included a flat fee per prescription, ranging from \$6 – 15. In addition, 13 contracts also agreed to pay pharmacies a percentage of revenue generated by each prescription. Flat fees varied widely across contracts and among different products. For example, two contracts contained substantially higher flat fees for specialty medications: in one, the flat fees were \$125 per prescription for brand and generic HIV drugs and \$1,750 for brand HCV drugs.

The GAO also made seven recommendations to Health Resources and Services Administration (HRSA) to improve oversight of 340B contract pharmacies.

The complete report can be found at: <https://www.gao.gov/assets/700/692697.pdf>.

BCBSNC Clarifies Claim Overpayment Recovery Policy

Blue Cross and Blue Shield of North Carolina (BCBSNC) issued a Provider Communication clarifying its Claim Overpayment Recovery Policy. The recovery of overpayments or offsetting of future payments must be originated within 24 months from the date of the original or corrected claim payment, unless:

- The insurer has reasonable belief of fraud or other intentional misconduct by a health care provider,
- The claim involves a health care provider or health care facility receiving payment for the same service from a government payer

The recovery of overpayments or offsetting of future payments associated with Medicare Coordination of Benefit updates must be originated within 36 months of the original claim payment date.

The complete Provider Communication can be found at:

<https://www.bluecrossnc.com/provider-news/solicited-claim-overpayment-recovery-policy-providers>.

BCBSNC Will Soon Validate Member's Full First Name on Claims

Blue Cross and Blue Shield of North Carolina (BCBSNC) will soon validate a member's full first name on claims. If the first name on the claim does not match the full first name that BCBSNC has on file (the name on the member's health insurance ID card), the claim will be rejected. The complete Provider Communication can be found at: <https://bit.ly/2u9GzKk>.

Credit Balance Reports Due to Palmetto GBA on July 30, 2018

Credit Balance Reports (CMS 838) for the quarter ending June 30, 2018, are due to Palmetto GBA on or before July 30, 2018. You can submit your quarterly Credit Balance Reports via the eServices Portal. Reports can also be faxed to (803) 419-3277 or submitted via regular or certified mail. The complete Provider Communication, which addresses submitting the Credit Balance Report and dues dates, can be found at: <https://bit.ly/2ttkSWK>.

Reminder – TRICARE Claims Should be Submitted to WPS

Effective June 1, 2018, any TRICARE East claims submitted to PGBA will be rejected and not forwarded to Wisconsin Physicians Services (WPS). Therefore, all TRICARE East claims, regardless of the dates of service, should be submitted to WPS at:

TRICARE East Region
Wisconsin Physicians Service
Attention: Claims
PO Box 7981
Madison, WI 53707

Additional information can be found at: <https://www.humanamilitary.com/provider/>.

United Healthcare Issues July 2018 Network Bulletin

The July 2018 United Healthcare Bulletin is now available on the United Healthcare website. The Bulletin includes medical policy, drug policy, coverage determination guidelines, utilization review guidelines, reimbursement policies, and quality of care guideline updates. This bulletin can be found by clicking on the July 2018 Network Bulletin link at: <https://www.unitedhealthcareonline.com>.

United Healthcare Issues July 2018 Medical Policy Update Bulletin

The bulletin can be found by clicking on the Medical Policy Update Bulletin – July 2018 line at <https://www.unitedhealthcareonline.com>. This Bulletin provides complete details on United Healthcare Medical Policy, Drug Policy, and Coverage Determination Guideline updates.

DMA Issues July 2018 Medicaid Bulletin

The July 2018 Medicaid Bulletin is available on the N.C. Division of Medical Assistance (DMA) website. The Medicaid Bulletin contains information about a variety of topics, including:

- Guidance for Submitting Claims for Dually Eligible Beneficiaries
- NC Medicaid and N. C. Health Choice Preferred Drug List Changes
- Policy Revisions and Updates to Clinical Coverage Policies
- NC Medicaid Electronic Health Record (EHR) Incentive Program Announcement
- Coverage for Digital Breast Tomosynthesis Update
- Adding Coverage for CPT Code 81528 (Cologuard)
- Laboratory Rate Updates Effective July 1, 2018
- Reprocessing Medicare Part B Crossover Claims Due to System Error
- NPI Exemption List Extended to August 31, 2018

The July 2018 Medicaid Bulletin can be found by clicking on the Medicaid Bulletin 2018_07 link at: <https://dma.ncdhhs.gov/documents/2018-medicaid-bulletin-and-index>.

DMA Issues June 2018 Medicaid Pharmacy Newsletter

The latest Medicaid Pharmacy Newsletter, dated June 2018, is now available on the N.C. Division of Medical Assistance (DMA) website. In addition to the July 2018 checkwrite schedule, this edition of the newsletter includes articles about:

- Behavioral Health Clinical Edits
- Preferred Brands Beginning July 2018
- NC Medicaid and N.C. Health Choice Preferred Drug List Changes
- Spinraza Covered in Physician Drug Program Only

The June 2018 Medicaid Pharmacy Newsletter can be found by clicking on the Pharm Newsletter 2018_06 link at: <https://dma.ncdhhs.gov/documents/2018-pharmacy-newsletters>.

Please contact Ronnie Cook (rcook@ncha.org or 919-677-4225) or Jeff Weegar (jweegar@ncha.org or 919-677-4231) with any questions.