

January 18, 2019

TO: Chief Executive Officers and Chief Financial Officers, Member Institutions

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### **NCHA Submits Comment Letter Addressing CMS's Medicaid and Children's Health Insurance Plan Managed Care Proposed Rule**

The North Carolina Healthcare Association (NCHA) is pleased with the Center for Medicare & Medicaid Services' (CMS) recognition of the critical nature of the use of pass-through payments as a mechanism to preserve the hospital safety net for Medicaid patients. This proposal is particularly important to North Carolina hospitals during the transition to a managed care delivery system beginning Nov. 1, 2019. As pass-through payments are a vital part of North Carolina hospital reimbursement and access to care, we encourage CMS to quickly finalize the proposed rule that will allow North Carolina hospitals to appropriately transition to Medicaid managed care beginning in November 2019. NCHA has long advocated that states be allowed to continue supplemental hospital payments within the context of Medicaid managed care to support a variety of state specific objectives, including access to care.

The proposal for § 438.6(d)(6)(iv) states pass-through payments for Medicaid populations or services that are transitioning from a Fee for Service (FFS) delivery system to a managed care delivery system may be requested up to 3 years from the beginning of the first rating period in which the services were transitioned. NCHA shares CMS's concern regarding the complexity of the transition from FFS to Medicaid managed care. NCHA is also concerned about an abrupt end of pass-through payments as our member hospitals and health systems place heavy reliance on supplemental payments to serve as safety-net providers within North Carolina, and to ensure Medicaid beneficiaries continue to have adequate access to care. As such, we encourage CMS to extend the transition period from 3 years, to 5 years, in order to ensure safety-net providers have adequate time to transition payments.

A copy of NCHA's comment letter is available on the NCHA website at [https://www.ncha.org/wp-content/uploads/2019/01/Comment-Letter\\_Medicaid-Managed-Care\\_2019-01-11\\_final.pdf](https://www.ncha.org/wp-content/uploads/2019/01/Comment-Letter_Medicaid-Managed-Care_2019-01-11_final.pdf).

### **AHA Provides Guidance on 340B Claims Submission During Legal Challenge to 2018 and 2019 OPPS Rules**

On Dec. 27, 2018, the District Court for the District of Columbia issued an order in favor of the American Hospital Association (AHA) and the other Plaintiffs in the lawsuit to stop the Center for Medicare & Medicaid Services' (CMS) nearly 30% reduction in the reimbursement rate for 340B drugs set forth in the Outpatient Prospective Payment System (OPPS) final rule as exceeding the statutory authority of Health and Human Services. The District Court agreed that the rate reduction was unlawful and should be enjoined. The court also has asked for further briefing from the parties as to the appropriate remedy. Thus, the litigation is on-going and remains active.

While the litigation remains active, AHA recommends that you continue to pursue appeals for 2018 and initiate appeals for reduced payments in 2019. Specifically, 340B participating hospitals affected by the rule should continue to take steps to request review of 340B claims in order to preserve the hospitals' right to seek the full reimbursement amounts under the 2017 rate (the rate in effect prior to the near 30 percent cut) pending the final outcome of litigation. Please refer to the steps recommended by AHA's outside counsel, which can be found at:

[https://images.magnetmail.net/images/clients/AHA\\_MR1/attach/2019/January/340BMemomJan172019.pdf](https://images.magnetmail.net/images/clients/AHA_MR1/attach/2019/January/340BMemomJan172019.pdf).

Palmetto GBA issued a July 17, 2019, notice directing hospitals not to appeal their reimbursement decision with regard to 340B drugs. This notice can be found at:

<https://www.palmettogba.com/palmetto/providers.nsf/DocsCat/JM-Part-A~B2RKND4347>. Nevertheless, AHA states that the most prudent course in this situation is still to file the appeals, even if they are rejected.

If you decide to follow Palmetto's instruction and not pursue further separate individual claim appeals, then AHA recommends that you send a letter to Palmetto stating that you will not separately appeal each denial based on Palmetto's notice, but your understanding is that this decision will not prejudice your right to obtain full reimbursement on those claims if AHA ultimately prevails in its legal challenge. The sample letter recommended by AHA's outside counsel can be found at:

[https://images.magnetmail.net/images/clients/AHA\\_MR1/attach/2019/January/ExhibitA.pdf](https://images.magnetmail.net/images/clients/AHA_MR1/attach/2019/January/ExhibitA.pdf).

### **BCBSNC Announces Value-Based Care Initiative**

Blue Cross and Blue Shield of North Carolina (BCBSNC) announced a new value-based care initiative called Blue Premier. Blue Premier is a new value-based model of care in which BCBSNC and health systems will be jointly responsible for better health outcomes, an improved patient experience and lower costs. Blue Premier is designed to reward quality of care and bend the cost curve by holding providers financially accountable for higher costs and inefficiencies in the health care system. BCBSNC stated that by 2020 fifty percent or more of all BCBSNC members will have a provider who is jointly responsible for the quality and total cost of their care. BCBSNC's press release can be found at: <http://bit.ly/2AQf7Wc>.

### **BCBSNC Announces New Laboratory Benefit Program Effective April 1, 2019**

Effective for dates-of-service April 1, 2019 and afterwards, Blue Cross and Blue Shield of North Carolina (BCBSNC) will require precertification to be obtained from Avalon for certain laboratory services, tests and procedures, in advance (pre-service) of those services, tests and procedures being performed in an office, hospital outpatient or independent laboratory location. Laboratory services, tests and procedures provided in emergency room, hospital observation, and inpatient settings are excluded. The specific laboratory services, tests and procedures requiring precertification are available on the BCBSNC Prior Plan Review page at: <http://bit.ly/2Mh2yrm>.

The Laboratory Benefit Management Program and BCBSNC's use of the Avalon laboratory network applies for all BCBSNC insured and administered products for Non-Medicare members under the age of 65. This includes but is not limited to, the North Carolina State Health Plan, the Federal Employees Program, and non-Medicare Advantage products accessed through the BlueCard<sup>®</sup> program. The program does not extend to members enrolled in BCBSNC's Medicare Advantage products or BlueCard members when enrolled in other Blue Cross and Blue Shield-offered Medicare Advantage products. Additionally, application of this program for the Federal Employees Program will be delayed until later this year. The complete Provider Communication can be found at: <http://bit.ly/2FDzZUH>.

### **NCTracks Announces Selection of New Centralized Credentialing Vendor**

NCTracks announced that Wipro Infocrossing has been awarded the contract to serve as the Provider Data Contractor (PDC), as NC Medicaid transitions to Managed Care. Wipro Infocrossing, a National Committee for Quality Assurance (NCQA) certified organization, will assist the North Carolina Medicaid

Managed Care program to identify the credentialing status of providers contracting with Prepaid Health Plans (PHPs). The complete Provider Communication can be found at: <http://bit.ly/2Dj8BIZ>.

### **BCBSNC Provides Clarification Related to Inter-Facility Transfers**

Blue Cross and Blue Shield of North Carolina (BCBSNC) released a communication clarifying the requirements when a member is transferred from one acute facility to another in emergent situations and in non-emergent situations. In emergent situations, prior approval is not required before the member is transferred when a higher level of care or specialized services are required and the member's care needs cannot be met at the current facility. In non-emergency/elective situations, requests for transfer to another facility require prior approval and review for medical necessity before the transfer can occur. The complete Provider Communication can be found at: <http://bit.ly/2SXde0N>.

### **Reminder - NCHA Offering Medicaid Managed Care Overview on January 23, 2019**

The North Carolina Healthcare Association (NCHA) will host NC Department of Health and Human Services (DHHS) Secretary Mandy Cohen and members of her team on Jan. 23, 2019 for an overview of what to expect under Medicaid Managed Care. The briefing will provide an overview of the implementation timeframe and will include information on issues such as the populations that will be integrated into managed care, provider networks, beneficiary plan assignment, clinical policies, credentialing, advanced medical homes and many other features of Medicaid managed care.

The State will also discuss its plans for more detailed educational sessions, webinars and training on specific topics for providers. NCHA will provide an update on ongoing discussions concerning hospital reimbursement under managed care. NCHA will also be hosting additional educational sessions during the year on Medicaid managed care. The Jan. 23 briefing is scheduled from 1- 4 pm at the Sheraton Imperial Hotel and is best suited for Chief Executive Offices (CEOs), Chief Financial Officers (CFOs), and others interested in a high level overview of what to expect under Medicaid Managed Care.

There is no charge for this meeting but pre-registration is required. Registration instructions can be found at: <http://bit.ly/2Mj0crR>.

### **BCBSNC Announces Risk Adjustment Provider Education**

Blue Cross and Blue Shield of North Carolina (BCBSNC) has engaged Pulse8 to conduct monthly, hour-long webinars to raise awareness about the risk adjustment process. The January webinar will address identifying risk-adjustable conditions, and the role of condition category coding to a patient's risk score. The webinar will be held on Tuesday, Jan. 22, 2019 and Thursday, Jan. 24, 2019 with several time options scheduled for each day. Webinar access instructions can be found at: <https://pulse8.webex.com/mw3300/mywebex/default.do?siteurl=pulse8>.

The complete Provider Communication can be found at: <http://bit.ly/2FCCXII>.

### **NCTracks Releases Schedule for 1099s**

NCTracks announced that 1099s will be mailed as soon as Tuesday, Jan. 22, 2019, but no later than Tuesday, Jan. 29, 2019. The 1099s will be sent to the "1099 Reporting/Pay-To Address" location currently on the provider file. Due to postal service volume, providers should allow 7 to 10 business days to receive your 1099. Additional information can be found at: <https://www.nctracks.nc.gov/content/public/providers/faq-main-page/faqs-for-1099s.html>.

### **NCTracks Issues Updated Issue List**

NCTracks has uploaded an updated version of the NCTracks Issues List, which documents known issues and their statuses. The issue list can be found under Quick Links on the Provider Portal Home Page, which can be found at: <https://www.nctracks.nc.gov/content/public/providers.html>. Providers are encouraged to check this list to see if an issue they are experiencing is already known before calling in about an issue.

**Palmetto GBA Announces Part A SNF Consolidated Billing Webcast**

Palmetto GBA will host the Part A Skilled Nursing Facility (SNF) Consolidated Billing Webcast on Wednesday, Jan. 23, 2019 at 11 am ET. The webcast is designed to provide an overview of SNF coverage, SNF consolidated billing, Minimum Data Set (MDS) Resource Utilization Groups (RUGs), claim submission, and documentation. Registration instructions can be found at: <http://bit.ly/2RVJYdB>.

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