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A NEWSLETTER FOR MONTANA HEALTH CARE PROVIDERS FIRST QUARTER 2004

SAVE FOR FUTURE REFERENCE

SAVE FOR FUTURE REFERENCE

Mark A. Burzynski

Vice President
Health Care Management

LET'S EXPLORE SOME NEW DIRECTIONS... ...AND THANKS FOR YOUR PARTICIPATION!

Enclosed within this edition of the *Capsule News* are the Blue Cross and Blue Shield of Montana (BCBSMT) compensation schedules for the period March 1, 2004 through February 28, 2005. The key concern for many providers will be whether BCBSMT increased its professional converter for the period noted above. The BCBSMT converter will remain at $54.50. There are several reasons why.

The BCBSMT professional trend (which trends the aggregate payment made to physicians reflecting physician utilization by members and physician allowances and charges) is expected to climb again during 2004. In the last five years, the BCBSMT professional trend has increased 21.5 percent. By the end of 2004, the aggregate impact of this trend is expected to approximate 27 – 28 percent. With similar trends for hospital and drug utilization, health care premiums will have essentially doubled during the five years ending this December 31, 2004. Employers, groups, and members cannot handle these kinds of trends. If compensation rates were to be increased, the trends would only be exacerbated. More than likely, member premium contributions and out-of-pocket costs would be increased and/or coverage would be dropped. None of these options would be welcome news by providers and/or insurers.

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Another key reason the converter will remain fixed for the next year is due to BCBSMT revamping its compensation system. During the next two years, BCBSMT will be engaging physicians in discussions regarding pay for performance (P4P). P4P makes intuitive sense inasmuch as premium dollars to support provider increases are harder and harder to generate, technology's information applications continue to expand, consumers are more routinely researching medical, health, and wellness information, especially on the quality and service levels of providers, and, employers and members are beginning to expect accountability on how their health benefits are applied. Hence, any additional compensation is going to be targeted to those physicians committed to accountability and improving their service levels to BCBSMT members (no matter how good that might be currently). One of the goals of implementing P4P is to reward physicians who are committed to becoming better practitioners, no matter how exemplar they are now. The health care industry is changing and BCBSMT intends to support those practitioners who are trying to respond to market need and expectations that are likewise evolving. The evaluation criteria have not yet been developed; however, be assured, it will be done in collaboration with physicians. Other goals for P4P include developing a system that is voluntary, physicians believe is equitable, and delivers the accountability and information groups and members are seeking. As P4P plans and time lines are established, physicians will be apprised of their opportunities for input and feedback on its development.

Regarding pay for performance approaches, it should be noted that a variety of such systems have been used in the past. Approaches have included capitation (with settlements), withholds, profit sharing, quality incentives, and "per member per month" (PMPM) improvements. Currently, BCBSMT has each of these approaches being used with groups of physicians somewhere in the state of Montana, except withholds, which clearly did not align with market place expectations and were therefore abandoned. The next generation of P4P plans are focused on criteria by which groups and members can assess to their satisfaction and how they want to apply their money: that is, to provide information that helps them seek care where they believe is appropriate. Granted, this initial step forward will be rudimentary, but it will at least represent a start. The criteria will be focused on patient satisfaction, access, quality measures, and financial measures. Unfortunately, at this juncture, many of the measurements will be process and guideline oriented, not outcome oriented. However, as technology continues to improve, the goal will be to press forward on developing meaningful outcome measurements.

Currently, BCBSMT has embarked on a pilot PMPM reward plan with the Rocky Mountain Health Network, Inc. (RMHN) in Billings, Montana. RMHN volunteered to participate. For this pilot, very few ground rules have been established. They will essentially be made up as RMHN and BCBSMT go along. RMHN's leadership was open to exploring this idea with BCBSMT. Similar arrangements already exist and are working in Missoula and Great Falls, thanks to the physicians at the Western Montana Clinic and the Great Falls Clinic.

A third reason the converter will not be increased has to do with the BCBSMT "risk based capital" (RBC) position, which probably means very little to you. Hopefully, over time, you will become more familiar with the term and its implications. RBC is a statistic, which attempts to approximate the credit worthiness of a health insurer such as BCBSMT. RBC was developed by the National Association of Insurance Commissioners and was adopted by the State of Montana this past fall (Section 33-30-102 (1), MCA). If an insurer falls below certain RBC thresholds, it becomes subject to oversight and/or control by the Insurance Commissioner's Office (and the Blue Cross Blue Shield Association for Blue plans). RBC is intended to monitor the financial footing of BCBSMT (and other insurers operating in the state) and its ability to pay its claims. Since September 11, 2001, BCBSMT has endeavored to improve its reserves, which took a beating, as did many portfolios. During the intervening two years, the financial position for BCBSMT has improved markedly, such that it has now climbed within ten percent of the average RBC scores for the 42 Blue plans, which serves to ensure that BCBSMT will continue not only to be able to pay claims, but pay them quickly.

There are several aspects about BCBSMT compensation that often seem to be forgotten, so I thought I might take a few moments and revisit them. It is not as straightforward a comparison as might often be believed when the BCBSMT converter of $54.50 is compared to other payers. Inasmuch as the Resource Based Relative Value System (RBRVS) has weighted the relative value of services, BCBSMT compensates physicians utilizing one converter. Other payers often use multiple converters, which generally

FIRST QUARTER 2004

Editor **Mike McGuire** *mmcguire@bcbsmt.com*
Sr. Editorial Assistant **Trinda Smith**
Production **Fleming Graphics**

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BlueCross BlueShield of Montana

favor the highly compensated specialties to the detriment of the primary care providers. For BCBSMT this is a principle of equity. Plans that use multiple converters and RBRVS, essentially allow providers receiving higher converters to "double dip". If certain specialties want to lower their converter for the sake of other specialties, BCBSMT would be willing to listen to the proposals. The key will be getting approximately 4,200 practitioners to agree.

Another aspect to keep in mind when comparing compensation levels is to look at the demographics of the states and payers. For example, it is really not comparing apples to apples when you compare the compensation levels of a large, national self-funded employer, to the "mom and pop" business climate of Montana, where 60 percent of businesses do not offer coverage. BCBSMT is often the insurer of last resort for the small businesses and individuals in our state, which desperately need help to stay in the game.

BCBSMT covers the cost for all physicians who electronically submit BCBSMT and Medicare claims through *Health-e-Web*, which has a conservative market value of about $1,600,000 for those physicians. In the future, BCBSMT is considering how it might enhance electronic services for participating providers, recognizing that providers would appreciate greater efficiency in their respective practices. Moreover, it is considering discontinuing this "electronic" subsidy for non-participating physicians.

It should also be pointed out that BCBSMT processes all claims that are ready to be paid ***weekly***. It does not impose a hold period on its claims to put the time value of money to work for itself. BCBSMT wants you to have that opportunity. BCBSMT processes over 97 percent of physician claims within two weeks of their receipt, which was noted by the 2003 Montana Legislature as exemplary and clearly the best of the payers operating in the state.

Employers are becoming more and more savvy about the intricacies of our health care delivery and financing systems, especially compensation. Once employers understand RBRVS, they are very appreciative of the providers that participate in networks on their behalf, especially physicians and other providers who are compensated based on converters. Employers seem to be coming to a greater understanding of the critical role participating providers play in helping maintain such valuable benefits. Hence, many employers would like to pass along their thanks on their behalf as well as on behalf of their employees and dependents, to all BCBSMT participating providers in the traditional, government, community, and managed care networks. Some of these employers include:

- Stillwater Mining Company
- Montana University System
- Federal Employee Program
- Western Montana Mental Health Center
- Montana Automobile Dealers Association
- One Call Locators
- First Citizens Bank/Citizens Development
- Lockwood School District
- University of Great Falls
- PPL
- State of Montana
- Montana Department of Corrections
- Cascade County
- City of Great Falls
- Computers Unlimited
- Hardin School District
- Great Falls School District
- Heritage Banks
- Washington Corporation
- Education Logistics
- Yellowstone County
- 4Bs/Truckers' Express
- Decker Coal Company
- Corporate Air
- Edwards Jet Service

This list could include another 4,265 businesses, 28,900 individual buyers, and 298,000 members. Whether listed or not, in a debt of gratitude, they eagerly and genuinely thank you for participating in the BCBSMT networks on their behalf. You make their coverage available and affordable. You are also making Montana a better place. When you think about BCBSMT, think about the employers and individuals it represents. That's who's paying you and me. That's to whom you and I are indebted. By the same token, they appreciate your skills, talents, caring, and compassion. BCBSMT, its members, employers, individual purchasers, staff, and Board of Directors are likewise indebted to you.

Thank you.

Sincerely,

Mark A. Burzynski
Vice President
Health Care Management

BlueCross BlueShield

UPDATED PROVIDER COMPENSATION

PROVIDER COMPENSATION POLICIES

BCBSMT has updated and published its provider compensation policies. These policies define the compensation methodology for all providers submitting claims to BCBSMT. You may access these policies at www.bluecrossmontana.com. Click on *Providers* then *Provider Policies*. If you do not have access to the Internet, please call customer service for a copy of the policies applicable to your provider type.

PROFESSIONAL COMPENSATION CALCULATION METHODOLOGY

The compensation method for professional providers is fee for service with an allowable fee. Allowances are based on the Medicare Resource Based Relative Value System (RBRVS) Physician Payment Schedule. In the RBRVS system, a Relative Value Unit (RVU) assigned to most procedures is determined by resource costs needed to provide the service. The cost of providing each service is divided into three components; physician work, practice expense, and professional liability insurance.

The RVUs assigned each procedure were released by Centers for Medicare and Medicaid Services (CMS) January 14, 2004 and are available at http://www.cms.hhs.gov (click on *Professionals*, select *Physician*, then *Medicare Payment Systems*, then *National Physician Fee Schedule Relative Value File*.) The RVU impact by specialty is referenced in the *Federal Register*. Procedures codes are listed with relevant RVUs for services performed in a facility and non-facility setting.

BCBSMT will update CMS RVU changes published after March 1, 2004 by September 1, 2004. RVU type procedures without an established CMS RVU use a *St. Anthony's RBRVS* RVU if one is available. St. Anthony RVUs are established by the Cambridge Health Economics Group. If no RVU exists, then other compensation methods are outlined in the compensation policies. For additional details on pricing of codes without a RVU, please reference the compensation policies at www.bluecrossmontana.com.

CONVERSION FACTOR

The 2004 conversion factor for BCBSMT participating physicians (MD, DO, DPM) will remain $54.50. Non-participating physician compensation is 80 percent of the participating physician schedule, or $43.60 conversion factor per RVU.

PLACE OF SERVICE (POS)

The BCBSMT claims payment system assesses POS by reading the POS field on the claim form. If the POS is not indicated, the claim cannot be processed. A list of POS codes and corresponding locations related to the facility or non-facility place of service is shown below:

FACILITY		NON-FACILITY	
HCFA 1500 POS Code	Place of Service	HCFA 1500 POS Code	Place of Service
5	Indian Health Service Free-Standing Facility	3	School
6	Indian Health Service Provider Based Facility	4	Homeless Shelter
7	Tribal 638 Free-Standing Facility	11	Office Visit
8	Tribal 638 Provider-Based Facility	12	Home
21	Inpatient Hospital	15	Mobile Unit
22	Outpatient Hospital	20	Urgent Care Facility
23	Emergency Room	25	Birthing Center
24	Ambulatory Surgical Center	32	Nursing Facility
26	Military Treatment Facility	33	Custodial Care Facility
31	Skilled Nursing Facility	50	Federally Qualified Health Center
34	Hospice	54	Intermediate Care / Mentally Retarded
41	Ambulance - Land	55	Residential Substance Abuse Treatment
42	Ambulance - Air or Water	60	Mass Immunization Center
51	Inpatient Psychiatric Facility	62	Comprehensive Outpatient Rehab
52	Psychiatric Facility Partial Hospitalization	65	End Stage Renal Disease
53	Community Mental Health Center	71	State of Local Public Health Clinic
56	Psychiatric Residential Treatment	72	Rural Health Clinic
61	Comprehensive Inpatient Rehab	81	Independent Laboratory
		99	Other Unlisted Facility

INCREASED COMPENSATION FOR SERVICES PERFORMED IN THE PHYSICIAN'S OFFICE (PHYSOFF)

BCBSMT, in cooperation with the physician community, developed higher allowances for specific codes to compensate for overhead costs associated with performing certain services in a physician's office. This increased compensation (Physoff) was implemented November 15, 1999. The additional compensation for Physoff codes is derived from the place of service (physician office) being billed. Physoff allows for a 50 percent increase in compensation for eight scoping procedures. This compensation applies to physicians (MD, DO) providers *only* and the 20 percent differential still applies to non-participating physicians.

If a code was performed four or less times in an office setting over the past four years, the code was removed from the Physoff list.

The table below lists the remaining eight Physoff codes. This list will continue to be reviewed throughout 2004 to determine the effectiveness of this compensation methodology. Future updates to these codes will be published in the *Capsule News.*

2004 BCBSMT PHYSOFF CODES

HEALTH SERVICE CODE	DESCRIPTION	PERCENT INCREASE
43235	UPPER GASTROINTESTINAL ENDOSCOPY INCLUDING ESOPHAGUS, STOMACH, AND EITHER THE DUODENUM AND/OR JEJUNUM AS APPROPRIATE; DIAGNOSTIC, WITH OR WITHOUT COLLECTION OF SPECIMEN(S) BY BRUSHING OR WASHING (SEPARATE PROCEDURE).	50%
43239	UPPER GASTROINTESTINAL ENDOSCOPY INCLUDING ESOPHAGUS, STOMACH, AND EITHER THE DUODENUM AND/OR JEJUNUM AS APPROPRIATE; WITH BIOPSY, SINGLE OR MULTIPLE.	50%
43248	UPPER GASTROINTESTINAL ENDOSCOPY INCLUDING ESOPHAGUS, STOMACH, AND EITHER THE DUODENUM AND/OR JEJUNUM AS APPROPRIATE; WITH INSERTION OF GUIDE WIRE FOLLOWED BY DILATION OF ESOPHAGUS OVER GUIDE WIRE.	50%
43450	DILATION OF ESOPHAGUS, BY UNGUIDED SOUND OR BOUGIE, SINGLE OR MULTIPLE PASSES.	50%
45378	COLONOSCOPY, FLEXIBLE, PROXIMAL TO SPLENIC FLEXURE; DIAGNOSTIC, WITH OR WITHOUT COLLECTION OF SPECIMEN(S) BY BRUSHING OR WASHING, WITH OR WITHOUT COLON DECOMPRESSION (SEPARATE PROCEDURE).	50%
45380	COLONOSCOPY, FLEXIBLE, PROXIMAL TO SPLENIC FLEXURE; WITH BIOPSY, SINGLE OR MULTIPLE.	50%
45384	COLONOSCOPY, FLEXIBLE, PROXIMAL TO SPLENIC FLEXURE; WITH REMOVAL OF TUMOR(S), POLYP(S) OR OTHER LESION(S) BY HOT BIOPSY FORCEPS OR BIPOLAR CAUTERY.	50%
45385	COLONOSCOPY, FLEXIBLE, PROXIMAL TO SPLENIC FLEXURE; WITH REMOVAL OF TUMOR(S), POLYP(S), OR OTHER LESION(S) BY SNARE TECHNIQUE	50%

PHARMACY AND IMMUNIZATIONS GIVEN IN THE PHYSICIAN'S OFFICE; INJECTIONS ADMINISTRATION ALLOWANCES

Most allowances for pharmaceuticals (except vaccines) are received electronically from First Data Bank. Codes that are not calculated by First Data Bank use the *Redbook* and its updates (following the First Data Bank methodology) to obtain the Average Wholesale Price (AWP) for brand name and generic drugs. BCBSMT calculates the median generic AWP and compares this to the lowest brand name AWP. The lower of the two is the BCBSMT allowance.

For vaccines, the *Redbook* and its updates are utilized to obtain the AWP for brand name and generic products. BCBSMT averages each generic and brand name separately and the lowest average price is the BCBSMT allowance.

Cancer chemotherapy drugs are priced according to the above methodology plus 12.5 percent. Administration of injectable medications approved by the FDA after January 1, 2003 are compensated at the BCBSMT contracted discount off of AWP with the BCBSMT contracted vendors (e.g. Priority Health). Please note injectable drugs do not include vaccines or immunizations.

FluMist will be compensated at the same value as the injectable influenza vaccination if billed by the provider. The difference between the FluMist AWP and the injectable influenza AWP will be denied as provider responsibility. Please note FluMist compensation was temporarily set at $50 to address the vaccine shortage for the 2003-04 flu season.

For additional detail concerning vaccines and drugs, please reference the Vaccine and Drug Compensation Policy at www.bluecrossmontana.com.

HCPCS G0008, G0009, AND G0010

The allowable fee for HCPCS codes G0008, G0009, and G0010 are based on the RVU value for 90472 since no CMS RVU exists for these three G codes.

CLINICAL LABORATORY COMPENSATION

The BCBSMT compensation criterion for clinical laboratory services is a percentage of the Medicare Part B clinical laboratory fee schedule. Due to updates to this schedule, BCBSMT projects a 3.19 percent increase in 2004. BCBSMT segments clinical laboratory services into three compensation groups.

CORE GROUP

The core group includes common on-site services that are provided at the time of the patient's visit to ensure timely and efficient service. For 2004, the core group will be compensated at 160 percent of the Medicare allowance. (refer to Table 1 starting on this page)

PAP SMEARS

For 2004, the pap smear group compensation is increasing to 125 percent of the Medicare allowance. On March 1, 2005 the pap smear group compensation will increase to 150 percent of the Medicare allowance (refer to Table 2 on page 8) for codes with compared allowances and percentage increases.

SECONDARY GROUP

The secondary group includes all other clinical laboratory services. For 2004, the secondary group will be compensated at 150 percent of the Medicare allowance.

TABLE 1 - CORE CODES

CODE	DESCRIPTION	2004 ALLOWANCE	2003 ALLOWANCE	CHANGE
80198	ASSAY OF THEOPHYLLINE	$31.63	$31.63	$ —
81000	URINALYSIS, NONAUTO W/SCOPE	$7.09	$7.08	$0.01
81002	URINALYSIS NONAUTO W/O SCOPE	$5.71	$5.71	$ —
81003	URINALYSIS, AUTO, W/O SCOPE	$5.02	$5.02	$ —
82270	TEST FOR BLOOD, FECES	$7.26	$7.26	$ —
82465	ASSAY, BLD/SERUM CHOLESTEROL	$9.73	$9.72	$0.01
82565	ASSAY OF CREATININE	$11.46	$11.45	$0.01
82947	ASSAY, GLUCOSE, BLOOD QUANT	$8.77	$8.76	$0.01
82948	REAGENT STRIP/BLOOD GLUCOSE	$7.09	$7.08	$0.01

TABLE 1 - CORE CODES continued

CODE	DESCRIPTION	2004 ALLOWANCE	2003 ALLOWANCE	CHANGE
82950	GLUCOSE TEST	$10.62	$10.62	$ —
82951	GLUCOSE TOLERANCE TEST (GTT)	$28.78	$28.78	$ —
84132	ASSAY OF SERUM POTASSIUM	$10.27	$10.27	$ —
84520	ASSAY OF UREA NITROGEN	$8.82	$8.81	$0.01
84702	CHORIONIC GONADOTROPIN TEST	$33.65	$33.64	$0.01
84703	CHORIONIC GONADOTROPIN ASSA Y	$16.78	$16.78	$ —
85004	AUTOMATED DIFF WBC COUNT	$14.46	$14.46	$ —
85007	BL SMEAR W/DIFF WBC COUNT	$7.70	$7.69	$0.01
85014	HEMATOCRIT	$5.30	$5.29	$0.01
85018	HEMOGLOBIN	$5.30	$5.29	$0.01
85025	COMPLETE CBC W/AUTO DIFF WBC	$17.38	$17.37	$0.01
85027	COMPLETE CBC, AUTOMATED	$14.46	$14.46	$ —
85032	MANUAL CELL COUNT, EACH	$9.62	$9.62	$ —
85049	AUTOMATED PLATELET COUNT	$10.00	$10.00	$ —
85610	PROTHROMBIN TIME	$8.78	$8.78	$ —
85651	RBC SED RATE, NONAUTOMATED	$7.94	$7.93	$0.01
86403	PARTICLE AGGLUTINATION TEST	$22.78	$22.78	$ —
86430	RHEUMATOID FACTOR TEST	$12.69	$12.68	$0.01
87084	CULTURE OF SPECIMEN BY KIT	$19.25	$19.25	$ —
87088	URINE BACTERIA CULTURE	$12.70	$12.70	$ —
87205	SMEAR, GRAM STAIN	$9.54	$9.53	$0.01
87210	SMEAR, WET MOUNT, SALINE/INK	$9.54	$9.53	$0.01

Allowances given are for participating BCBSMT providers.
Non-participating providers are allowed 80% of the participating allowance.

TABLE 2 - PAP CODES

CODE	DESCRIPTION	2004 ALLOWANCE	2003 ALLOWANCE	CHANGE
88142	CYTOPATH, C/V, THIN LAYER	$35.39	$28.31	$7.08
88143	CYTOPATH C/V THIN LAYER REDO	$35.39	$28.31	$7.08
88147	CYTOPATH C/V THIN LAYER REDO	$19.88	$15.90	$3.98
88148	CYTOPATH, C/V, AUTO RESCREEN	$26.54	$21.23	$5.31
88150	CYTOPATH, C/V, MANUAL	$18.45	$14.76	$3.69
88152	CYTOPATH, C/V, AUTO REDO	$18.45	$14.76	$3.69
88153	CYTOPATH, C/V, REDO	$18.45	$14.76	$3.69
88154	CYTOPATH, C/V, SELECT	$18.45	$14.76	$3.69
88164	CYTOPATH TBS, C/V, MANUAL	$18.45	$14.76	$3.69
88165	CYTOPATH TBS, C/V, REDO	$18.45	$14.76	$3.69
88166	CYTOPATH TBS, C/V, AUTO REDO	$18.45	$14.76	$3.69
88167	CYTOPATH TBS, C/V, SELECT	$18.45	$14.76	$3.69
88174	CYTOPATH, C/V AUTO, IN FLUID	$37.31	$29.85	$7.46
88175	CYTOPATH C/V AUTO FLUID REDO	$46.26	$37.01	$9.25
G0123	SCREEN CERV/VAG THIN LAYER	$35.39	$28.31	$7.08
G0143	SCR C/V CYTO,THINLAYER,RESCR	$35.39	$28.31	$7.08
G0144	SCR C/V CYTO,THINLAYER,RESCR	$37.31	$29.85	$7.46
G0145	SCR C/V CYTO,THINLAYER,RESCR	$46.26	$37.01	$9.25
G0147	SCR C/V CYTO, AUTOMATED SYS	$19.88	$15.90	$3.98
G0148	SCR C/V CYTO, AUTOSYS, RESCR	$26.54	$21.23	$5.31
P3000	SCREEN PAP BY TECH W MD SUPV	$18.45	$14.76	$3.69

Allowances given are for participating BCBSMT providers.
Non-participating providers are allowed 80% of the participating allowance.

ANESTHESIA COMPENSATION

The 2004 conversion factor for BCBSMT participating anesthesiologists, using the American Society of Anesthesiologists (ASA) methodology for 2004, is $40.35. The conversion factor for participating Certified Registered Nurse Anesthetists is $34.30. Non-participating physician compensation is 80 percent of the participating anesthesiologist allowable. The ASA methodology uses a base unit + time unit (15 minutes = 1 unit) multiplied by the conversion factor method of compensation. Anesthesia time is reported in minutes.

Anesthesiology service codes that do have an associated ASA relative value unit, and can be performed by other physician specialties, will continue to be compensated using the Medicare relative value unit multiplied by the BCBSMT participating provider conversion factor of $54.50. The CRNA conversion factor is $46.33

CPT CODE 01995 AND 01996

CPT code 01995 and 01996 does not follow the ASA methodology. 01996 is compensated at a higher allowance of $90.63 and 01995 is compensated at $143.34.

Below is a list (Table 3) of the anesthesia codes that BCBSMT has agreed to compensate at the higher *non-facility* allowance regardless of the place of service in which the procedure is performed.

DURABLE MEDICAL EQUIPMENT (DME) COMPENSATION

DME, oxygen, supplies, orthotics, and prosthetics' allowable fees are based on the Durable Medical Equipment Resource Center (DMERC), Region D schedule utilized by CMS. The BCBSMT allowance is 100 percent of the DMERC fee schedule.

For codes without a DMERC value, BCBSMT allowances are determined from the local Medicare carrier pricing, 90th percentile of billed charges, comparisons to similar products, BCBSMT DME compensation policy (rent-to-purchase), or invoice charges less shipping and handling.

TABLE 3 - ANESTHESIA CODES

CODE	FACILITY RVU	NON-FACILITY RVU	2004 BCBSMT ALLOWANCE	$ INCREASE ABOVE FACILITY	% INCREASE ABOVE FACILITY
62318	2.69	7.69	$419.11	$272.51	286%
62319	2.47	6.82	$371.69	$237.08	276%
64415	1.97	4.42	$240.89	$133.53	224%
64417	1.97	4.64	$252.88	$145.52	236%
64418	1.77	4.05	$220.73	$124.27	229%
64420	1.62	4.79	$261.06	$172.77	296%
64421	2.25	7.19	$391.86	$269.24	320%
64445	1.95	4.27	$232.72	$126.45	219%
64450	1.78	2.63	$143.34	$46.33	148%

2nd OPINION

by Mike McGuire

COMPENSATION POLICIES

In keeping with the compensation theme of the first quarter *Capsule News*, this edition of the Second Opinion relates to compensation. Can I raise the CMS Relative Value Unit or the BCBSMT conversion factor? No. That's way outside of my level of Federal political influence and job description.

But what I can do is guide you to the BCBSMT policies explaining the methodology of how BCBSMT compensates the Montana medical community. It's as simple as point and click. The BCBSMT compensation policies have been posted on the Internet at www.bluecrossmontana.com since February of 2003. (Click on *Providers* then *Provider Policies*.) These documents explain in detail how compensation is derived for all provider types, from physicians and non-physicians, to hospitals, laboratories, and durable medical equipment suppliers. Even drugs, vaccines, and drug eluding stent compensation are explained.

Also included, and new for this year, is the BCBSMT **physician** (MD, DO, and DPM) fee schedule for BCBSMT fully insured members. While this represents a share of allowances paid to physicians, this fee schedule does not take into account non-physician and facility compensation, self-insured groups such as the Montana University System, special arrangements with some groups such as the Montana Automobile Dealers Association, member contract limitations, medical policy, CAI claims processing software, or the network participation status of any provider. These allowable fees also do not take into consideration special discounts for such programs as the Children's Health Insurance Program (BlueCHIP), Caring Program for Children, managed care discounts, the Federal Employee Program, and Blue Care. There is a much more to compensation than just $54.50 multiplied by a CMS Relative Value Unit.

What these policies and fee schedule do represent is a willingness on behalf of BCBSMT to be open and communicative about its compensation policies, methodologies, and physician allowances for a large portion of BCBSMT members. If you have further questions beyond this edition of the *Capsule News* or the compensation policies, please contact the provider network representative for your area noted on the last page.

In the next issue, I will continue the discussion with respect to what is available at www.bluecrossmontana.com to help you find answers you need and what my goals and objectives are for the web site. There is a lot more information other than compensation policies and a physician fee schedule. Moreover, I need to know what the Provider portion of the web site is lacking so do not hesitate to let me know.

Thank you for your time.

Mike McGuire

Mike McGuire is senior editor of the Capsule News and welcomes comments concerning national, regional, and local health care issues, BCBSMT, and the Capsule News. Please send comments to Mike McGuire, c/o BCBSMT, P.O. Box 4309, Helena, MT 59601 or by email to mmcguire@bcbsmt.com. You may also call direct at 1-800-447-7828, extension 8412.

Download the BCBSMT formulary to your PDA @ epocrates.com

Pharmacy

More pharmacy information available at www.bluecrossmontana.com

PHARMACY AND THERAPEUTICS COMMITTEE

BCBSMT held its quarterly Pharmacy and Therapeutic (P&T) Committee meeting on January 13, 2004. Participating BCBSMT physicians from various specialties were either present or teleconferenced for the meeting. The P&T Committee's purpose is to review, discuss, and make decisions regarding pharmaceutical drugs and their formulary status with the goal of high quality, low cost drugs on the formulary. If you have any questions, please call Tina Wong at 1-800-447-7828 extension 8843.

FIRST QUARTER 2004 CHANGES TO THE FORMULARY

During the January 13, 2004 P&T Committee meeting, six new drugs were reviewed for formulary placement. Effective immediately, the following drug changes were made to the BCBSMT *Drug Formulary* that is used for the majority of its business. BSBSMT encourages physicians to reference the formulary when prescribing medications for BCBSMT members.

Drug	Therapeutic Class	Formulary Status
Aldurazyme	Metabolic Modifiers	Formulary
Emtriva	Antiretrovirals	Formulary
Fabrazyme	Metabolic Modifiers	Formulary
Iressa	Antineoplastic Systemic Enzyme Inhibitors	Non-Formulary with Prior Authorization
Lotronex	Irritable Bowel Syndrome	Formulary
Reyataz	Antiretrovirals	Formulary
Striant	Androgens	Non-Formulary
Zelnorm	Irritable Bowel Syndrome	Formulary
Zymar	Opthalmic Antiinfectives	Non-Formulary

LOW OSMOLAR CONTRAST MATERIAL CODE CHANGES

The HCPCS codes for low osmolar contrast material (A4644 - A4646) were deleted effective January 1, 2004 (with a grace period until April 1, 2004). A new code, A9525 effective January 1, 2004, was established to replace these codes. However, the Centers for Medicare and Medicaid Services decided this coding change may result in incorrect coding of low osmolar contrast material. Therefore, providers should continue to use codes A4644 through A4646 rather than new code A9525.

Effective April 1, 2004, A9525 will become an invalid code. Codes A4644 - A4646 should continue to be submitted on claims. These codes will still be allowed because of the grace period through April 2004. Codes A4644 - A4646 will be officially reinstated April 1, 2004.

Regular Business

CLAIMS ACCURACY UPDATE

CTP CODE

76000-76005 Fluoroscopy

CLAIMS ACCURACY INITIATIVE

BCBSMT will be retroactively adjusting claims to January 1, 2003 to compensate for CPT 76000 – 76005 when submitted with codes 20610, 62270, 62272, 62310, 62311, 64470, 64472, 64475, 64476, 64479, 64480, 64483, 64484, 64622, and 64623.

RATIONALE

Fluoroscopic guidance is considered an integral component of most procedures. However, BCBSMT has determined that separate compensation will be allowed with large joint injections and the listed spinal procedures due to the increased risks associated with these procedures.

More information and commonly asked questions are available in the *Claims Accuracy Initiative* provider manual at www.bluecrossmontana.com. Click on *Providers*, then *Provider Manuals*.

MODIFIER 99, 24, AND 59 REMINDERS

When attaching an operative report or other documentation for the manual review of a claim, please submit modifier 99 on the line that requires review. Modifier 99 will initiate a manual review. Use box 19 on the HCFA 1500 claim form to provide additional information, and/or attach supporting documentation.

Additionally, the reporting of modifier 24 or 59 alone will not result in separate and/or additional compensation. Descriptions and/or documentation must indicate separate services or sites.

More information concerning modifiers and how they affect claims processing is available in the BCBSMT *Participating Provider Manual* at www.bluecrossmontana.com. Click on *Providers*, then *Provider Manuals*. Modifier information is in the Claims chapter.

BCBSMT would like to extend its appreciation to those providers who have given, and continue to provide, input regarding the billing and processing of claims. BCBSMT welcomes this advice since this process was established to improve equitable compensation among providers, ensure coding consistency, and accurate and timely claims processing through CAI.

If you have questions concerning CAI, contact your provider network service representative for your area and continue to contact customer service for individual claim review. If you have issues concerning a particular code or set of codes, please send your issues in writing with supporting documentation, including excerpts from specialty societies, to:

Blue Cross Blue Shield of Montana
Attention: Medical Director
P.O. Box 4309
Helena, MT 59604

@MAIL

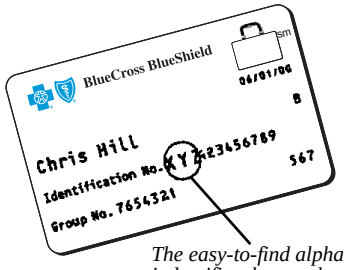
CHANGE TO FIND A DOCTOR @ WWW.BLUECROSSMONTANA.COM

The fourth quarter edition of the *Capsule News* had an article on page 12 explaining the search capabilities of the on-line provider directory at www.bluecrossmontana.com. A change has taken place with the search criteria for Physician provider types. Podiatrists (DPM) are now included in the Physician provider type.

Podiatrists are considered physicians since they can prescribe medications and M.C.A 37-6-101(3) states, "**Podiatrist** means a **physician** or surgeon of the foot and ankle, licensed to diagnose and treat ailments of the human functional foot and ankle".

When looking up medical service providers by provider type Physician, the directory will now list MD, DO, and DPM specialties in the next drop down menu. Remember, you do not need to use the Provider Type (first drop down menu) to find a provider. You can go straight to Specialties (second drop down menu) to find the needed medical service provider by type of practice.

When choosing the Physicians (MD, DO, DPM) provider type, the next drop down menu will include all physician specialties from anesthesiology to podiatrists to vascular diagnostic services.



The easy-to-find alpha prefix indentifies the member's Blue Cross and Blue Shield Plan.

ID CARD REMINDERS

Many health plans are renewed in January of each year and those members will have new ID cards printed for their health plan. BCBSMT would like to remind office staff to ask patients for their new ID card and to make a copy for your files. When submitting claims, always include the complete ID number including alpha prefix. This is especially critical for out-of-state Blue Cross Blue Shield members' timely claims processing.

If you have questions concerning benefits, eligibility, and/or claims status for BCBSMT members, please log onto the BCBSMT web site at www.bluecrossmontana.com and access Secure Services, or you may call customer service. Out-of-state member benefits and eligibility can be obtained by calling 1-800-676-BLUE (2583). Additional information about in-state and out-of-state claims processing is available in the BCBSMT *Participating Provider Manual* at www.bluecrossmontana.com. Click on *Providers*, then *Provider Manuals*.

FRAUD

PRESCRIPTION DRUG ABUSE: HELP BCBSMT CURB A GROWING PROBLEM

The abuse of controlled substances has been identified as a growing trend, not only in Montana, but nationwide. Rush Limbaugh and Brett Favre are prime examples of people who have experienced problems related to prescription medications.

The abuse of prescription drugs is estimated to comprise approximately 30 percent of the overall drug problem in America.

There are several reasons that pharmaceuticals have become the abused *drug of choice* for many people.

- First and foremost, prescription drugs are viewed as safer than illegal *street* drugs.
- Prescription drugs are typically easier to obtain through a *legal* prescription.
- Prescription drugs are easily used in the workplace and typically don't even have to be concealed.
- Prescription drugs can be purchased through a person's insurance plan, resulting in a lower cost to the abuser.
- The abuser faces less risk of detection due to lack of enforcement mechanisms.
- They're only prescription drugs…*what's the big deal?*

The results of a 2003 survey by the Substance Abuse and Mental Health Services Administration (SAMHSA) estimated that 6.2 million people abused prescription drugs in 2002. Sadly, an estimated 1.4 million abusers were between the ages of 12 and 17.

A recent news release from the Florida Department of Law Enforcement stated that drug related deaths (in Florida) associated with prescription drugs outnumber those deaths associated with illicit drugs.

The BCBSMT Special Investigations Unit (SIU) has recently identified a number of problems with patient abuse of controlled substances. Among these problems, the following schemes are used to obtain these drugs:

Doctor Shopping – The patient uses multiple physicians and pharmacies to obtain excess quantities of controlled substances, either for personal use or for sale on the street.

Phony Call-Ins – The patient, or another person, represents themselves as a physician and phones a prescription to a pharmacy.

Alteration of the Prescription – The patient alters a written script to increase quantities, dosages, etc.

Theft of the Script Pad – The patient steals a script pad from the physician's office or uses a legitimate script to make their own scripts using either a computer or photocopier.

The methods identified above are examples of common schemes, but do not include every scenario possible. Health professionals should be aware of common tactics used by drug seekers and take steps to recognize their behaviors. The Drug Enforcement Administration diversion website (www.deadiversion.usdoj.gov) includes helpful information to assist healthcare practitioners and pharmacists in identifying and dealing with patients who exhibit drug seeking activity.

BCBSMT is concerned about prescription drug abuse because it obviously puts the patient at risk in many ways, but also typically involves numerous emergency room or physician visits that are not medically necessary. Payment of these professional services, in addition to the payment for drugs being used to feed an addiction, or being sold on the street, all result in excess utilization that can result in premium increases for the entire insured population.

In an effort to limit the abuse of pharmaceutical drugs, BCBSMT is asking for your help. Through the BCBSMT Pharmacy Benefit Manager, the SIU has the ability (on most contracts) to limit a patient to one pharmacy and/or prescribing physician. If you suspect a patient may be exhibiting drug-seeking characteristics, or you have a patient with abusive tendencies and would like to work with BCBSMT to limit them to a specific pharmacy and/or physician, please call the BCBSMT Fraud Hotline at 1-800-447-7828, extension 3468. Referrals may be made anonymously.

1-800-621-0992

stopfraud.bcbsmt.com

IT AFFECTS ALL OF US!

FAX:

1-406-447-3570

E-MAIL:

The Provider Network Specialist at ww.bluecrossmontana.com. Click on *Providers*, then *Geographic Regions.*

MAIL:

Send change of information to BCBSMT, Attn: HCS, PO Box 4309, Helena, MT 59604

Regular Business

Dr. Mary Albright

CT/MRI PRIOR AUTHORIZATION UPDATE

BCBSMT will be making an important change in the process of prior authorizing CT and MRI scans of the brain and spine. From February 2, 2004 forward, inappropriate scans will deny as member responsibility. This helps to protect hospitals, radiology facilities, and radiologists from liability when a member insists on receiving these services despite the lack of medical necessity.

Because patients may fail to obtain prior authorization and be subjected to high out of pocket costs for little or no clinical gain, we wish to ask providers, again, to refer to the American College of Radiology guidelines and BCBSMT medical policy on these scans prior to ordering. (a link to the American College of Radiology web site is available at www.bluecrossmontana.com. Click on *Providers* then *Best Practices*.) New prior authorization forms (introduced in the last *Capsule News* and available on our website. Click on *Providers* then *Prior Authorization*.) help to make clear which scans are considered medically necessary, and which require more justification for approval. **To reiterate, providers who are not a MD or DO (such as nurse practitioners, physician assistants), as well as podiatrists, chiropractors, and primary care physicians (family practice, general practice, internal medicine, OB-GYN, and pediatrics) should complete the prior authorization process. Specialty care physicians such as neurologists and orthopaedic surgeons may be reviewed retrospectively.** Below I will describe some of the commonly-seen misuses of CT and MRI scans noted over the past four months:

Jumping the Gun (Ordering too soon) – The most commonly encountered error in ordering CT and MRI scans is ordering these scans too early in the clinical process. Many providers arrange for a scan on initial presentation, often at the same time they initiate conservative treatment. Trust your clinical instincts and give conservative treatment a chance to work! For common problems such as headaches, back pain and neck pain, especially where no systemic symptoms or neurological deficits exist, the patient deserves four to six weeks of conservative therapy prior to being subjected to a scan. Neck or back pain with radicular symptoms, such as sciatica, can be managed conservatively unless symptoms worsen despite treatment or unless there is a high index of suspicion for a more serious disease process, such as cancer. Even with unsuspected cancer or other serious disease processes, in the absence of systemic symptoms or neurological deficits, and with emphatic instructions to return immediately should those develop, risk and liability are low.

The Pan-Man-Scan (The shotgun approach) – A number of providers order scans on two or more areas of the nervous system simultaneously, though a single lesion could explain all signs and symptoms. The most cost-effective course is to scan the area most likely to give rise to the symptoms, and follow up with additional scans only as appropriate. When in doubt, consider a specialty consultation. Despite the sentiments of the old gatekeeper HMOs, specialty consultations, when appropriate, are quite cost effective.

False Economy (Ordering the wrong scan) – Some providers have been ordering CT scans when MRI scans are the test of choice. There are very few clinical situations in which CT is superior to MRI for imaging the central nervous system. Doing the wrong scan is not cost effective in that a follow-up MRI is usually necessary. There is also the risk of missing conditions (such as multiple sclerosis) that are virtually never captured by a CT scan. When in doubt, consult a specialist or your local radiologist. The new prior authorization forms are also designed to help you choose the correct scan. We encourage you to use them when requesting prior authorization.

Curiosity killed the CAT scan (Ordered for reassurance, curiosity, or screening) – In patients with vague complaints such as giddiness, wooziness, fatigue, visceral or non-radicular pain, in the absence of systemic symptoms or neurologic abnormalities, scans have an extremely low yield. The same is true of brain scans for dizziness without true vertigo/nystagmus. Also be aware that acoustic neuromas present with unilateral hearing loss 95 percent of the time, and very rarely with dizziness or vertigo. Audiological examination is the first test to order if acoustic neuroma is suspected. MRI is valuable if audiological testing is inconclusive, though brainstem auditory evoked potentials are more sensitive, even identifying lesions too small to be seen on MRI. At any rate, if the patient insists on having a scan despite a low index of suspicion for a serious condition, she or he will now bear the financial responsibility. As a courtesy, you may choose to inform the patient of this fact. In the meantime, BCBSMT will be attempting to get the word out to members about the importance of prior authorizations, and the financial consequences of proceeding with a scan for the sole purpose of reassurance.

2003 PROVIDER SATISFACTION SURVEY RESULTS

BCBSMT completed its annual provider satisfaction survey during October, November, and December 2003. The Myers Group in Snellville, GA administrated the survey. 1,376 providers were randomly selected from over 4,000 participating providers. A total of 424 providers responded to the survey that was administered by a 3-wave mail only survey tool. The survey measures 19 attributes that assist BCBSMT in developing a comprehensive plan for improving and maintaining provider satisfaction.

BCBSMT's Top Box (excellent and very good response options) scores for overall health plan satisfaction is 72.8 percent compared to 79.6 percent in 2002, 64.8 percent in 2001 and 58.7 percent in 2000. The ratings for BCBSMT are significantly higher than the provider ratings for other plans in all surveyed attributes. Compared to last year's BCBSMT Top Box scores, the overall satisfaction with BCBSMT decreased by 6.8%.

The table below demonstrates BCBSMT's rating compared to other plans and previous year's scores.

	Survey Item	BCBSMT Others	2003 Top Box Score	2002 Top Box Score	2001 Top Box Score	2000 Top Box Score
1	Responsiveness and courtesy of Provider Relation's representatives.	BCBSMT	61.0%	64.9%	57.1%	52.6%
		Others	*21.0%*	*25.9%*	*27.3%*	*21.8%*
2	Timeliness to answer questions and/or resolve problems.	BCBSMT	52.9%	58.0%	49.7%	45.1%
		Others	15.6%	17.7%	25.5%	17.8%
3	Frequency and effectiveness of provider representative visits.	BCBSMT	25.8%	31.2%	25.4%	21.8%
		Others	*9.1%*	*9.0%*	*15.4%*	*16.8%*
4	Quality of provider orientation process.	BCBSMT	29.7%	35.1%	26.6%	27.4%
		Others	*7.9%*	*9.4%*	*13.9%*	*11.6%*
5	Reasonableness of paperwork and documentation.	BCBSMT	34.5%	35.7%	29.5%	21.6%
		Others	*16.6%*	*13.0%*	*18.5%*	*13.6%*
6	Usefulness of BCBSMT's New Provider Workshop Format.	BCBSMT	39.1%	34.9%	40.3%	40.9%
		Others	*na*	*na*	*na*	*na*
7A	Usefulness of Capsule News.	BCBSMT	39.3%	37.2%	40.5%	31.2%
		Others	*na*	*na*	*na*	*na*
7B	Usefulness of Provider Manuals.	BCBSMT	39.8%	32.4%	35.5%	28.4%
		Others	*na*	*na*	*na*	*na*
7C	Usefulness of Provider Contracts.	BCBSMT	34.7%	29.6%	25.4%	26.8
		Others	*na*	*na*	*na*	*na*
7D	Usefulness of Provider Directories.	BCBSMT	43.0%	37.8%	38.8%	32.5
		Others	*na*	*na*	*na*	*na*
8	The health plan's administration of the PCP's specialist referrals.	BCBSMT	26.6%	29.5%	30.5%	27.8%
		Others	*16.7%*	*16.0%*	*21.7%*	*21.6%*
9	The health plan's facilitation of clinical care for patients.	BCBSMT	30.1%	35.1%	30.2%	31.0%
		Others	*13.7%*	*14.9%*	*19.8%*	*20.0%*
10	The health plan's support of physician relationship with patients.	BCBSMT	29.3%	32.3%	29.4%	28.4%
		Others	*14.8%*	*14.9%*	*18.5%*	*18.0%*
11	Degree to which prevention and wellness are covered/encouraged.	BCBSMT	27.3%	27.2%	26.9%	29.7%
		Others	*11.9%*	*11.4%*	*16.6%*	*15.5%*
12	The health plan's support of appropriate clinical care for patients.	BCBSMT	33.5%	34.1%	29.8%	30.4%
		Others	*15.4%*	*12.4%*	*18.8%*	*18.1%*
13	The health plan's support concerning medical management.	BCBSMT	26.9%	33.2%	28.2%	29.2%
		Others	*12.1%*	*11.2%*	*15.1%*	*15.3%*
14	Accuracy of claims processing.	BCBSMT	50.0%	58.4%	45.5%	44.8%
		Others	*22.7%*	*23.1%*	*24.1%*	*25.2%*
15	Timeliness of claims processing.	BCBSMT	57.0%	63.8%	51.2%	48.0%
		Others	*18.1%*	*10.0%*	*18.4%*	*21.2%*
16	Ease of using health plan's provider claims payment register.	BCBSMT	60.0%	55.9%	50.6%	45.6%
		Others	*29.2%*	*21.4%*	*21.8%*	*26.0%*
17	Would you recommend BCBSMT to other patients?	BCBSMT	35.9%	37.9%	26.0%	28.0%
18	Would you recommend BCBSMT to other physicians?	BCBSMT	34.5%	36.1%	26.1%	25.7%
19	Overall satisfaction with BCBSMT.	BCBSMT	72.8%	79.6%	64.8%	58.7%
		Others	*58.4%*	*55.5%*	*59.4%*	*51.1%*

Regular Business

NEWS in Review

WHOSE PROBLEM IS HEALTH CARE

By Daniel Gross

New York Times February 8, 2004

It comes as no surprise that America's beleaguered manufacturers operate at a disadvantage to competitors based in China and Mexico, countries with rock-bottom labor costs and threadbare safety nets. But, increasingly, they are also having difficulty contending against rivals in developed countries.

American companies have ingeniously managed to contain labor costs through productivity gains, outsourcing and limiting wages. But the factors over which manufacturers have less control - structural costs like those for corporate income taxes, employee benefits and rule compliance – have surged, according to a study release in December by two trade groups, the Manufacturers Alliance and the National Association of Manufacturers.

Comparing wage compensation to total value added in manufacturing in several countries, the study concluded that the United States was more competitive than Canada, Germany, Britain, South Korea, and France. But throw in structural costs – which add 22.4 percent to the cost of doing business in the United States – and American manufacturers' costs exceed those of counterparts in Canada, Britain, and South Korea. Even France, reputedly hostile to business, isn't far behind.

How is it that the American economic system, thought to be far more friendly to businesses than the European system, has become a competitive disadvantage for American manufacturers? One of the main culprits is health care. And the solution may be something that has traditionally been anathema to corporate chieftains: bigger government.

After corporate income taxes, employee benefits are the second-largest structural cost for American manufacturers, adding 5.8 percent to costs, according to the study. In all major economies, paying for health care means a combination of public and private money. But in the United States, businesses pay a larger chunk than do their European and Asian counterparts.

"In Canada, for example, a lot of the expenditures for health are funded out of general revenues," said Jeremy Leonard, an economic consultant for the Manufacturers Alliance, and the report's main author.

In Canada, the private sector spends 2.8 percent of gross domestic product on health care; in the United States, the private-sector figure is 7.7 percent. And American private sector spending falls disproportionately on big employers like manufacturers. Some 97 percent of members of the National Association of Manufacturers provide health care coverage for employees. **In 2002 alone, General Motors, which covers 1.2 million Americans, spent 4.5 billion on health care.**

Uwe Reinhardt, an economist at Princeton, has referred to general Motors, Ford and Daimler-Chrysler as "a social insurance system that sells cars to finance itself."

Manufacturers can compensate for higher health care costs partly by holding down growth in wages. But they have fewer options when dealing with retirees' health benefits. "It would be good for the U.S. economy to get U.S. corporations out of retiree health care," Dr. Reinhardt said.

Large companies seem to be moving in that direction. Last year, only 36 percent of companies with 500 or more workers still offered a retiree medical plan to at least some retirees not yet eligible for Medicare, down from 50 percent in 1993, according to a recent survey by Mercer Human Resource Consulting.

Of course, in Canada and the European Union, higher taxes on citizens pay for comprehensive coverage. This is a trade-off that big business seems increasingly to favor. Both the National Association of Manufacturers and the Business Roundtable, a lobbying group of executives, supported the expensive Medicare prescription drug benefit enacted last summer. Top executives find that having taxpayers foot the bill for older Americans' prescription drugs is more palatable than digging into corporate coffers to pay for their retirees' benefits.

Few business leaders advocate that government provide comprehensive health insurance for American workers not in Medicare – at least not yet. The National Association of Manufacturers would like the system to evolve from one in which employers provide benefits to one in which consumers buy health care.

But like the prescription drug benefit, such a shift would be likely to transfer the financial burden from companies to American Taxpayers. Offering new tax credits is the preferred mechanism for turning insured Americans into health care consumers. And the ratio of such credits would force the government to borrow more, reduce spending elsewhere or increase taxes.

Whatever way, we all pay.

FEP

FEDERAL EMPLOYEE PROGRAM

FEP MEMBERS 65 OF AGE WITH NO MEDICARE

Under Federal Employee Health Benefit Program legislation, FEP is required to limit payments for inpatient hospital care and for physician care to those benefits the member would be entitled to if he or she had Medicare coverage. Providers may collect no more than the equivalent Medicare amount.

For physician care, the law requires that FEP base payment on the *Medicare approved amount* or the actual charge if it is lower than the Medicare approved amount.

For inpatient hospital claims, FEP would base payment on the DRG regardless of the amount billed. Outpatient hospital care is not covered under this law and regular FEP benefits apply.

If you have any questions, please contact FEP customer service at 1-800-634-3569.

Regular Business

:60 MEDICARE MINUTE

MEDICARE 2004 OUTREACH SEMINARS

Medicare will be hosting billing seminars in Helena, Missoula, and Billings in the spring of 2004. Be sure and mark your calendars. If you have any questions, please contact Medicare Part B at 1-800-445-0777.

Date	City	Location	Event	Time
April 13, 2004	Helena	Red Lion Inn Billing Seminar	Advanced	8 a.m.
May 13, 2004	Missoula	St. Patrick's Hospital and Health Sciences Center, Rooms A & B	Basic Billing Seminar	8 a.m.
June 23, 2004	Billings	Deaconess Billings Clinic, Rooms B & D	Basic Billing Seminar	8 a.m.

MEDICARE CLAIMS AND CORRESPONDENCE

Medicare Part A, Medicare Part B, and BCBSMT have different mailing addresses for claims and correspondence. Medicare A and B has been having difficulty tracking claims and correspondence due to it being sent to the wrong post office box. This will cause a delay in the processing of claims and written inquires since the documents never reached the intended destination.

Medicare Part A claims and correspondence are sent to P.O. Box 5017, Great Falls MT 59403.

Medicare Part B claims and correspondence are sent to P.O. Box 4310, Helena MT 59601.

BCBSMT Claims are mailed to the Great Falls office at P.O. Box 5004, Great Falls, MT 59403.

BCBSMT Correspondence is mailed to the Helena office at P.O. Box 4309, Helena, MT 59604.

Editor's Note: Please refer to the BCBSMT Participating Provider Manual at www.bluecrossmontana.com for more BCBSMT (not Medicare) claims and operations information. Click on Providers, then Provider Manuals.

MEDICARE 2004 DEDUCTIBLES AND COPAYMENTS

Part A Inpatient	Part A Skilled Nursing	Part B
• Day 1- 60 = $876 • Day 61-91 = $219 copayment per day • Day 91-150 = $438 lifetime reserve days	• Day 1-20 = Paid in full by Medicare • Day 21-100 = $109.50 copayment per day	• $100 deductible per year

Participating Providers

The on-line Provider Directory is updated daily at www.bluecrossmontana.com. BCBSMT encourages providers to review their on-line file and report any errors or changes.

BCBSMT welcomes these new providers for its traditional participating provider network and the Joint Venture provider network. Also included are providers who are no longer participating with these networks.

December 2, 2003 to January 30, 2004

Blue Cross and Blue Shield welcomes these new participating providers.

Elizabeth M. Asserson, LCPC	Bozeman	Lic. Clin.Prof.Counselor
Aimee E. Avison, PA-C	Missoula	Physician Assistant
Brian J. Bell, MD	Glasgow	Obstetrics and Gynecology
James W. Bonds, MD	Livingston	Surgery, General
Scot J. Bowen, DC	Hardin	Chiropractic
Lawrence D. Brouwer, MD	Hamilton	Family Practice
Central Montana Medical Center	Lewistown	Physical Therapy
Annette C. Comes, MD	Lewistown	Family Practice
Michael L. Copeland, MD	Billings	Surgery, Neurological
Renee M. Crichlow, MD	Billings	Family Practice
Dana P. Damron, MD	Billings	Maternal and Fetal Medicine
Dillon Medical Supply	Dillon	Medical Equipment
Patrick J. Duey, MD	Billings	Anesthesiology
Jennifer H. Dull, OD	Billings	Optometry
Kathleen E. Evans, MD	Missoula	Urgent Care
Richard R. Felix, MD	Missoula	Psychiatry
Nickie D. Frisch, LCSW	Billings	Lic. Clin. Social Worker
Betty Gutman, LCSW	Helena	Lic. Clin. Social Worker
Cinndie Hall, OTR	Red Lodge	Occupational Therapy
Michael T. Hall, PA-C	Great Falls	Physician Assistant
Jami L. Hansing, DC	Helena	Chiropractic
Kathleen A. Harder-Brouwer, MD	Hamilton	Family Practice
Mary J. Harsh, PHD	Helena	Psychology
James P. Hoyne, MD	Bozeman	Urgent Care
Kristine A. Hunter, MD	Helena	Internal Medicine
Jean M. Justad, MD	Helena	Internal Medicine
Mark A. Kearns, PA-C	Shelby	Physician Assistant
Sarah R. Kenney, MD	Great Falls	Neonatal-Perinatal Medicine
Stuart N. Kieran, MD	Hamilton	Neurology
Curtis L. Kostelecky, DC	Havre	Chiropractic

Frederick G. Miller, DO	Great Falls	Internal Medicine
Douglas G. Nebeker, DC	Billings	Chiropractic
Neva M. Oliver, NP	Missoula	Nurse Practitioner
Leah J. Smith, MD	Kalispell	Family Practice
Steven B. Sonntag, MD	Billings	Family Practice
Elie J. Soueidi, PA-C	Billings	Physician Assistant
Ann Spillan, DO	Butte	Psychiatry
Evan A. Thorley, PA-C	Billings	Physician Assistant
Diedre J. Turner, SLP	Helena	Speech Therapy
Mark E. Vandolah, CRNA	Butte	Cert. Reg. Nurse Anesthestist
John F. Weber, MD	Deer Lodge	Surgery, General
Richard A. Wells, DO	Thompson Falls	Family Practice

The following providers are no longer participating with Blue Cross and Blue Shield of Montana.

Alan H. Oram, DO	Billings	Emergency Medicine
Alan H. Oram, DO	Bozeman	Emergency Medicine
Dennis O. Wright, MD	Butte	Radiology
Mark Colonna, DDS	Whitefish	Dentist
Anita M. Mullins, OD	Bozeman	Optometry
William B. Ryan, PHD	Bozeman	Psychology
Sarah M. Baxter, PHD	Billings	Psychology
Elizabeth R. Sobba, MPT	Whitefish	Physical Therapy
David Powell, LCSW	Livingston	Lic. Clin. SocialWorker
Donna Whitman, PA-C	Butte	Physician Assistant
Donna Whitman, PA-C	Bozeman	Physician Assistant
Donna Whitman, PA-C	Missoula	Physician Assistant
Stephen P. Hardy, MD	Missoula	Plastic Surgery
Stephen P. Hardy, MD	Missoula	Surgery, Craniofacial
Stephen P. Hardy, MD	Missoula	Surgery, Hand
Robert G. Kloepper, MD	Missoula	Orthopaedics
Annette C. Comes, MD	Billings	Family Practice
Annette C. Comes, MD	Hardin	Family Practice
Scott W. Lucas, MD	Livingston	Surgery, General
Unity Health Care LLC	Hamilton	Medical Equipment
Alan B. Langburd, MD	Billings	Cardiovascular Disease
Scott N. Santos, DDS	Great Falls	Dentist

Blue Cross and Blue Shield of Montana welcomes these new Joint Venture providers.

Christopher L. Feucht, MD	Great Falls	Dermatology
David Baldridge, MD	Great Falls	Dermatology
Jeffrey Todd Chelmo, PA	Chester	Physician Assistant
Frederick G. Miller, DO	Great Falls	Internal Medicine
Donna Lynn Johnson, LCPC	Great Falls	Lic. Clin. Prof. Counselor
Sarah R. Kenney, MD	Great Falls	Neonatal-Perinatal Medicine
Michael T. Hall, PA-C	Great Falls	Physician Assistant
Big Horn County Memorial Hospital	Hardin	Lab/Xray/Machine Tests (outpatient)
Big Horn County Memorial Hospital	Hardin	Speech Therapy
Big Horn County Memorial Hospital	Hardin	Physical Therapy
Big Horn County Memorial Hospital	Hardin	Occupational Therapy
Ruben C. Sanchez, OD	Billings	Optometry
Rocky Mountain Surgical Center	Bozeman	Surgery Center
Renee M. Crichlow, MD	Billings	Family Practice
Michael L. Copeland, MD	Billings	Surgery, Neurological
Kerry T. Sanchez, OD	Billings	Optometry
Douglas G. Nebeker, DC	Billings	Chiropractic
Keith J. Popovich, MD	Butte	Internal Medicine
Wayne R Martin, MD	Ronan	Family Practice
Kathleen E. Evans, MD	Missoula	Urgent Care
Alexis D. Wagner, FNP	Hamilton	Nurse Practitioner
Summit Surgery Center, LLC	Butte	Surgery Center
Carol A. Hansen, APRN	Hamilton	Clinical Nurse Specialist
Peggy M. Stratton, FNP	Kalispell	Nurse Practitioner
Karen S. Saunders, LCSW	Kalispell	Lic. Clin. Social Worker
Leah J. Smith, MD	Kalispell	Family Practice
Derek A. Gedlaman, DO	Columbia Falls	Family Practice
Amy M. Robohm, NP	Missoula	Nurse Practitioner
Richard R. Felix, MD	Missoula	Psychiatry
Richard A. Wells, DO	Thompson Falls	Family Practice
Brenda J. Stubbs, PT	Whitefish	Physical Therapy

The following providers are no longer participating with the Joint Venture Network.

Alan H. Oram, DO	Billings	Emergency Medicine
Annette C. Comes, MD	Billings	Urgent Care
Frederick W. Tai, MD	Libby	Internal Medicine
Martha Dobbins-Odegard, NP	Libby	Nurse Practitioner
Elizabeth R. Sobba, MPT	Whitefish	Physical Therapy
Stephen P. Hardy, MD	Missoula	Plastic Surgery
Stephen P. Hardy, MD	Missoula	Surgery, Hand
Stephen P. Hardy, MD	Missoula	Surgery, Craniofacial
Robert G. Kloepper, MD	Missoula	Orthopaedics

BCBSMT HEALTH CARE SERVICES
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Western Region

External Team

Dan Polette, Network Development Representative 406-327-6451 / 949-1157 cell
Responsible for negotiating provider and facility contracts.

Jennifer Sampson, Network Service Representative Ext. 8468 / 239-9797 cell
Responsible for assisting provider offices with resolving recurring problems and continuing education.

Western Region

Internal Team

Juanita Brewer, Provider Network Specialist Ext. 8652
Responsible for processing contracts, correspondence, supporting the contract/service representatives, and publishing provider information.

Bridgett Waples, DBM Technician Ext. 8872
Responsible for maintaining provider databases for all lines of business and provider claims edits.

Debbie Dahl, Credentialing Specialist Ext. 3319
Responsible for processing credentialing applications and credentialing correspondence.

Mark Burzynski, V.P. Health Care Management Ext. 8628

Paul Pedersen, Network Administrator Ext. 8540

Deb Stewart, Internal Team Coach Ext. 8298

Central Region

External Team

Linda Orth, External Team Coach / Network Development Representative Ext. 8273 / 439-3968 cell
Responsible for negotiating provider and facility contracts, coordinating, developing and maintenance of indemnity, and government provider networks including BCBSMT, FEP, CHIP, BlueCare, and Tricare.

Kathy Polette, Network Service Representative Ext. 8511 / 439-6817 cell
Responsible for assisting provider offices with resolving recurring problems and continuing education.

Eastern Region

External Team

Chris Burbank, Network Development Representative 406-238-6324 / 855-3291 cell
Responsible for negotiating provider and facility contracts.

Terry Manska, Network Service Representative Ext. 8870 / 439-0936 cell
Responsible for assisting provider offices with resolving recurring problems and continuing education.

Central Region

Internal Team

Amy Salle, Provider Network Specialist Ext. 3682
Responsible for processing contracts, correspondence, supporting the contract/service representatives, and publishing provider information.

Tom Strong, DBM Technician Ext. 8498
Responsible for maintaining provider databases for all lines of business and provider claims edits.

Linda Erickson, Credentialing Specialist Ext. 8950
Responsible for processing credentialing applications and credentialing correspondence.

Eastern Region

Internal Team

Joy Dupler, Provider Network Specialist Ext. 8505
Responsible for processing contracts, correspondence, supporting the contract/service representatives, and publishing provider information.

Jim Hallauer, DBM Technician Ext. 8419
Responsible for maintaining provider databases for all lines of business and provider claims edits.

Kirsten Tabbert, Credentialing Specialist Ext. 3439
Reponsible for processing credentialing applications and credentialing correspondence.

Mike McGuire, Education Coordinator Ext. 8412
Editor of the Capsule News, *responsible for HCS regulatory compliance, HCS E-business, and provider communication.*

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