

# BLUE CROSS AND BLUE SHIELD OF KANSAS ESRD PROVIDER MANUAL

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June 2007

## **End Stage Renal Disease (ESRD) Composite Payment Rate System for Outpatient Maintenance Dialysis Treatments**

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## **Contracting Status**

As stated the Dialysis Center Policies and Procedures, dialysis facilities are considered as contracting facilities with all of our member products (ie. CAP, Premier Blue, Blue Select, Choice Care, Blue Choice). Therefore, the MAP listing mailed with the annual Policies and Procedures applies to all lines of business.

The dialysis facility will not require from the member, payment in excess of any deductibles, coinsurance, non-covered or share-payment amounts up to the Maximum Allowable Payment (MAP).

Some of the benefits to being a contracting provider with Blue Cross Blue Shield of Kansas include:

- Electronic Claims Filing
- Prompt payment of claims
- Payment is made to the contracting provider and not the member
- Publication in our Blue Cross Blue Shield of Kansas Provider Directories each year and on the Web
- Claim status, member eligibility and electronic remittances advices via the Web

Each July providers are mailed the Policies and Procedures, a dialysis facility Payment Attachment and the Maximum Allowable Payments (MAP) which update the provider agreement. These policies will advise your facility of any changes including reimbursement updates for the upcoming year. Providers are asked to respond to Blue Cross Blue Shield of Kansas no later than the first of September of the same year with any questions or concerns. The provider contract will automatically renew January 1 of the following year and the new Policies and Procedures and MAP listings will become effective.

## **Medically Unnecessary Services**

The Contracting Provider shall not bill members for services which have been determined medically unnecessary, experimental/investigational, have been denied due to Utilization Review, and/or are patient demanded services unless the member has been given written notification in advance that specific services will be the member's responsibility. This notification is referred to as the *Notice of Personal Financial Obligation (NOPFO)*. Generic or all-encompassing notifications without advanced written authorization by BCBSKS shall not be deemed to meet the specific notification requirement mentioned above. In instances where medical necessity is questionable, the Contracting Provider may contact BCBSKS medical review department for a predetermination of coverage.

All claims for services for which the member has been given a *NOPFO* shall be submitted on a paper UB-92 claim form with the *NOPFO* form attached. Charges shall be billed as noncovered. If the member does not want the claim to be filed, obtain this instruction in writing from the member and keep it on file with the *NOPFO*.

## ***NOTICE OF PERSONAL FINANCIAL OBLIGATION (NOPFO)***

*Beginning with services July 1, 2002, all claims for services that are medically unnecessary or experimental/investigational must be submitted to Blue Cross and Blue Cross Blue Shield of Kansas (BCBSKS) with a copy of the Notice of Personal Financial Obligation. This process ensures that members receive notice of their appeal rights. This represents a change in that prior to July 1, 2002, providers were required to submit inpatient and partial-day claims with the NOPFO but were not required to submit outpatient claims unless the patient/member requested. For more details, refer to the BCBSKS institutional newsletter dated June 2002.*

*Because of this change, the Notice of Personal Financial Obligation has been updated and the provider contract will be changed to reflect the following language at the next opportunity.*

*"The Contracting Provider shall not bill members for services which have been determined medically unnecessary or experimental/investigational unless the member has been given written notification in advance that SPECIFIC medically unnecessary or experimental/investigational services will be the member's responsibility. This notification is referred to as the Notice of Personal Financial Obligation. Generic or all-encompassing notifications without advanced written authorization by BCBSKS shall not be deemed to meet the specific notification requirement mentioned above. In instances where medical necessity is questionable, the Contracting Provider may contact BCBSKS medical review department for a predetermination of coverage. This provision applies to inpatient, outpatient and partial-day services.*

*All claims for services that are medically unnecessary or experimental/ investigational and for which the member has been given a Notice of Personal Financial Obligation shall be submitted on a paper UB-92 claim form with the Notice of Personal Financial Obligation form attached. Charges shall be billed as noncovered."*

*BCBSKS staff developed a NOTICE OF PERSONAL FINANCIAL OBLIGATION that can be used by providers to meet this requirement. Providers are not obligated to use this exact form however if developing their own, it must be specific and we suggest that it be sent to the provider consultant for review prior to its use. The use of non-specific or incomplete forms places the provider at financial risk.*

Patient's Name: \_\_\_\_\_  
Identification Number: \_\_\_\_\_

Provider Name: \_\_\_\_\_  
Provider Address: \_\_\_\_\_

**NOTICE OF PERSONAL FINANCIAL OBLIGATION**  
**Read Before Signing**

I have been informed and do understand the charges for \_\_\_\_\_ services provided to me beginning on \_\_\_\_\_ (date) through the date of discharge **will not be covered by Blue Cross and Blue Shield of Kansas, Inc. or Premier Blue** because these services are considered medically unnecessary or because it is not necessary to be hospitalized to have these services performed or because the services are experimental/investigational.

I request that these services be performed even though they will not be paid by Blue Cross and Blue Shield of Kansas, Inc. or Premier Blue. I UNDERSTAND THAT I WILL BE HELD PERSONALLY RESPONSIBLE FOR THE FULL FEE OF APPROXIMATELY \$ \_\_\_\_\_. This amount is an approximation only, based on the procedure/services scheduled to be performed and may be more if additional services become necessary.

Acknowledgment of personal financial obligation applies to charges for services specified above when performed by this provider **AND** any other provider whose services are related to or associated with the services I have requested on this form.

\_\_\_\_\_  
Patient or Member Signature

\_\_\_\_\_  
Date

Note to Patient: If you disagree with our determination you have appeal rights with your insurance company. You may contact the Blue Cross and Blue Shield of Kansas Customer Service Department for further information on your appeal rights.

Check one of the following:

\_\_\_ I, \_\_\_\_\_ (witness name), did personally observe the patient/member whose signature appears above and do certify that he/she did read this notice, was given an opportunity to ask questions and did affix his/her signature in my presence.

\_\_\_ Neither the patient nor member was available to sign the Notice of Personal Financial Obligation prior to \_\_\_\_\_ (scheduled start of care date). I, \_\_\_\_\_ (provider representative), did personally inform \_\_\_\_\_ (name of person informed) of the complete details of this notice by telephone on \_\_\_\_\_ (date) and advised him/her that other arrangements would have to be made prior to that date unless he/she agreed to accept personal financial responsibility. They have agreed to sign the notice at the earliest possible time.

\_\_\_ I, \_\_\_\_\_ (witness Name), did personally observe that this Notice of Personal Financial Obligation was presented to and verbally explained to \_\_\_\_\_ (name of person informed) by \_\_\_\_\_ (provider representative) on \_\_\_\_\_ (date). This individual refused to sign the notice even though he/she was informed that Blue Cross and Blue Shield would not pay for charges on and after date shown above and that the facility would look to him/her for payment on and after that date if the patient remained in this facility. The stated reason for not signing was \_\_\_\_\_

Witness Signature \_\_\_\_\_

Date \_\_\_\_\_

Provider Representative Signature \_\_\_\_\_

Date \_\_\_\_\_

This form needs to accompany the paper claim as non-covered.

## Refunds to Blue Cross

There could be situations where you will discover an overpayment on a claim in situations such as a late credit to a patient's account or because duplicate coverage is involved. When an overpayment situation occurs, use the Provider Refund/Deduct Authorization form (29-202) to notify our office. Copies of this form are located on the Blue Cross website at [www.bcbsks.com](http://www.bcbsks.com). The inquiry should be directed to:

Blue Cross and Blue Shield of Kansas  
Customer Service Department  
PO Box 239  
Topeka, Ks. 66629-0001

Complete the form with as much information as possible to help us expedite the refund. The minimum information required is:

- provider name
- provider number
- patient's name
- patient's identification number
- date of service
- reason for refund

You may use any of the following methods to accomplish the refund:

1. Return your check with either the Claim Inquiry Form or the Provider Refund/Deduct Authorization Form.

OR

2. Request that a refund letter be written to your hospital.

Blue Cross or Blue Shield overpayments should be returned to our Collection/Claims Overpayment Department, Cost Center 830. If it is determined that the refund is due to the patient, Blue Cross will then return the overpaid amount direct to the patient.

## Timely Filing Requirements

Initial billings must be submitted to BCBSKS within one year, three months (15 months) from the date of discharge or the date of outpatient services. In the event initial billings are not submitted timely, deductibles, coinsurance, non-covered and shared payments may be recovered from the member. All other balances as it relates to these initial billings will be a write-off to the Contracting Provider. Notification will be provided when employee groups impose alternate timely filing and claim assessment requirements. Failure to meet those requirements will result in claim denial.

## **New Techniques and Technology**

Maximum Allowable Payment (MAP) for new techniques and technology will be based, when possible, on existing procedures of comparable value and result. Additional allowances for new techniques or technologies will be considered if there is significant improvement in safety or efficacy of patient care.

## **New or Expanded Services**

The Contracting Provider agrees to notify BCBSKS of the addition of new services or the expansion of existing services. The purpose of this notification is to allow BCBSKS to determine if the new or expanded service is covered under the terms of the various member contracts.

## **Reimbursement For New Procedure Codes**

Periodically, new American Medical Association (AMA) Current Procedural Terminology (CPT) and the Centers for Medicare & Medicaid Services (CMS) Healthcare Common Procedure Coding System (HCPCS) codes are published and finalized, usually with a January 1<sup>st</sup> effective date; however, new codes can be added at any time. For codes created to replace existing codes, BCBSKS will crosswalk the existing MAP to the new code. For new codes, BCBSKS will consider a number of sources, including provider and medical consultant input, in order to establish payment, which may be a MAP.

## **Composite Rate Reimbursement**

Blue Cross reimbursement for dialysis encounters is based on a composite rate which includes the same components as those identified by Medicare, including but not limited to, routine pharmacy, laboratory services and supplies not including the exception listed below. While Blue Cross follows the composite rate reimbursement identified by Medicare, this does not guarantee that every contract held by a member will include benefits for these services. Contact Customer Service to verify benefits on each member's Blue Cross policy.

Blue Cross allows for Method I and Method II (home dialysis support services) billing for Institutional claims. Coding of the claim will follow the format described by Medicare with note to the exceptions listed below. Services billed at frequencies above and beyond those stated in the Medicare program will be denied by Blue Cross unless there is medical justification for the service. (ie. lab services included in the composite rate, drugs included in the composite rate, etc.) These services may be identified during routine post-pay reviews. If you receive a notice for refund you will need to submit records stating medical justification to support the service billed.

Refer to the End-Stage Renal Dialysis UB-92 Manual for billing variances in type of bill, condition codes, etc. for Blue Cross.

## **EPO Administration**

Unlike Medicare, Blue Cross will continue to pay for the syringes used to administer EPO in the overall composite rate payment for the dialysis session on the claim. These services should not be separately billed to Blue Cross Blue Shield of Kansas. If they are present on the claim, they will be assigned a one cent reimbursement. It is Blue Cross's intent to not allow any additional reimbursement on this service outside the composite rate. However, until such a time that the system can handle a zero reimbursement amount, payment will be set at one cent.

## **Administration Supplies**

Reimbursement for dialysis encounters is based on a composite rate which include the same components as those identified by Medicare, including but not limited to, routine pharmacy, laboratory services and all supplies.

Non-composite rate drugs are separately billable to Blue Cross Blue Shield of Kansas. However, in contrast to Medicare, Blue Cross Blue Shield of Kansas reimburses all supplies in the payment for the dialysis session.

There will be no change to the processing of secondary claims to Medicare. Providers should include the charges for their supplies (including EPO administration supplies) in their charges for the dialysis session when submitting claims to Blue Cross primary.

## **Pharmacy**

Drugs that are separately billable outside the composite rate shall be billed using HCPCS/CPT codes as specified in the BCBSKS Institutional Provider Manual, provider newsletters, and other materials published for providers, distributed via paper or electronically and updated by BCBSKS annually.

Reimbursement will be based on the codes billed. During the year, as new HCPCS/CPT codes are created, the same reimbursement methodology will be applied to the new codes. Should Red Book Average Wholesale Price (AWP) be significantly modified during the year, the BCBSKS MAP will be adjusted accordingly.

Currently, the Red Book AWP is being updated for codes monthly. To ease the administrative burden to providers and Blue Cross, beginning March 1, 2005, drugs will be priced at 119 percent of Red Book AWP and will be updated one time per month to be effective the first of the month following. A map listing will be mailed to providers for the March updates and then future updates will come in the form of newsletters that will be published listing the updated AWP and the drug codes that are affected. Providers will then need to apply the 119 percent to the AWP reported in the newsletter to establish the mapped allowance for that drug.

Providers will be notified through the listserv of the upcoming newsletters. You must be signed up for the listserv to receive this monthly notification.

### **Line Item Dates of Service**

Hospital-based and independent ESRD facilities must report HCPCS codes and units to bill for blood and blood products, and to bill for drugs and clinical diagnostic laboratory services paid outside the composite rate.

Line item dates of service are to be reported for every line where a HCPCS code is required on all outpatient claims, including claims where the from and through dates are the same. Claims submitted without a line item date of service entered for each HCPCS code required or with the line item date of service that is outside the statement covers period will be RTP.

### **Condition, Occurrence, Occurrence Span and Value Codes**

All condition, occurrence, occurrence span and value codes will be accepted on the Blue Cross claim but only the ones listed below will be used to determine member benefits and provider payment.

#### **Condition Code 73**

Condition code 73 is used to report dialysis training. This code must be present on the claim to receive the higher training reimbursement payment.

#### **Condition Code 76**

Condition code 76 is used to report a home dialysis patient that received back-up dialysis in a facility. This code must be present on the claim to receive the reimbursement for support services.

#### **Value Code 68**

Value code 68 is used to report the number of units of EPO given during the last administration during the billing period.

### **Reimbursement Changes for 2005**

Each July providers receive the Blue Cross and Blue Cross Blue Shield of Kansas Policies and Procedures, the Dialysis Center Payment Attachment and a listing of the current maximum allowable payments (MAP) for dialysis providers. For 2005, dialysis providers received a 4% increase to the dialysis MAPs excluding non composite rate drugs which are reimbursed at a percentage of AWP.

Changes for 2005 include:

- 1) Billing for Supplies - MAPs for the dialysis session have been increased to accommodate an allowance for the payment of drug administration supplies in 2005 to include EPO supplies.
- 2) MAPs have been allowed for Support Services, additional Pharmacy Services and Lab Services.





## Blue Cross UB-92 Example Claim – Freestanding Dialysis Facility

		2										3 PATIENT CONTROL NO. 123456789				4 TYPE OF BILL 721
		5 FED TAX NO. 48-xxxxxxx				6 STATEMENT COVERS PERIOD FROM THROUGH 010304 012804			7 COV D.	8 N-C D.	9 C-I D.	10 L-R D.	11			
12 PATIENT NAME DOE JOHN												13 PATIENT ADDRESS 123 SESAME STREET				
14 BIRTHDATE 06181939		15 SEX M	16 MS	17 ADMISSION DATE HR TYPE 20 SRC			21 D HR	22 STAT	23 MEDICAL RECORD NO. 555555-A		24	25	26 27 28 29		31	
32 OCCURRENCE DATE 11 083003		33 OCCURRENCE DATE		34 OCCURRENCE DATE		35 OCCURRENCE DATE		36 OCCURRENCE DATE		37						
38										39 VALUE CODES CODE AMOUNT	40 VALUE CODES CODE AMOUNT	41 VALUE CODES CODE AMOUNT	42 VALUE			
										a	A8	85.70	A9	163.00	49	33.60
										b	68	39000.00				
										c						
d																
43 DESCRIPTION	44 HCPCS/RATES	45 SERV. DATE	46 SERV UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES	49										
0634	Q4055	0103	13	720.00												
0636	J1750	0110	2	30.00												
0636	J1756	0103	100	55.00												
0636	90747	0128	1	150.00												
0771	G0010	0128	1	3.00												
0821	90999 G3	0103	13	4550.00												
0001				7,016.00												
50 PAYER Blue Cross and Blue Shield	51 RPROVIDER NO. xxxxxx1111	52 REL ASG INFO BEN	53	54 PRIOR PAYMENTS	55 EST. AMOUNT DUE	56										
57	<b>DUE FROM PATIENT ▶</b>															
58 INSURED'S NAME John Doe		59 P. REL 18-self		60 CERT.-SSN-HIC-ID NO. 1112223344		61 GROUP NAME	62 INSURANCE GROUP NO.									
63 TREATMENT AUTHORIZATION CODES		64 ESC		65 EMPLOYER NAME		66 EMPLOYER LOCATION										
67 PRINC. DIAG. CD.	68 CODE 75 CODE	69 CODE	70 CODE	71 CODE	72 CODE	73 CODE	74 CODE									
76 ADM. DIAG. CD.	77 E-CODE	78	79	80	81	82	83									
79 P.C. CODE	80 PRINCIPAL PROCEDURE DATE	81 OTHER PROCEDURE DATE	82 OTHER PROCEDURE DATE	83 OTHER PHYS. ID	84 ATTENDING PHYS ID	85 PROVIDER REPRESENTATIVE										
				Smith, Robert	DUPIN											
				Smith, Robert	DUPIN											
84 REMARKS																