Decision Maker – 2008

Welcome decision makers – thank you for taking time from your schedules to be with us today!
Topics

• BCBSNC is having a birthday!
• Updates and Reminders
  – Spanish Speaking Member Assistance
  – Diagnostic Imaging Program
  – ePrescribe
  – Centers of Excellence
  – Concierge Service
  – Operational Efficiencies
  – Healthcare Fraud
75th Anniversary

- 75 years in business
- Customer Focused Company
- NC’s leading health insurer
- Began offering a hospital care plan in 1933
- Hospital Care Association chartered in 1933, followed in 1935 by the Hospital Savings Association. Together these associations would merge as BCBSNC.
Spanish Speaking Member Assistance
Spanish speaking patients

Spanish-speaking customer service
1-877-258-3334

Servicios para el afiliado

Regístrese en bcbsnc.com/memberservices para manejar su plan de seguro médico y tomar el control de su salud de manera fácil y rápida. Una vez se inscriba como afiliado, podrá aprovechar muchos programas personalizados y recursos informativos que le ayudarán a alcanzar sus metas de salud, recibir descuentos para productos y servicios relacionados con la salud y mantenerse motivado con los premios que puede recibir por hacer actividad física. Adicionalmente, podrá administrar su plan de salud 24 horas al día, 7 días a la semana. Todo está a su alcance, ¡visite hoy bcbsnc.com/memberservices!

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AVISO. La sección de afiliados «Member Services» de nuestro sitio Web está disponible únicamente en inglés.
Finding an interpreter

• In North Carolina, providers can locate an interpreter to assist in communicating with Spanish-speaking and other foreign language-speaking patients through CATI (Carolina Association of Translators and Interpreters).

• CATI is an association of working translators and interpreters in North Carolina & South Carolina and is a chapter of the American Translators Association.

• CATI provides contact information of translators and interpreters within North Carolina at [www.catiweb.org/index.htm](http://www.catiweb.org/index.htm).
Diagnostic Imaging Management Program Update
Program updates

• New eligibility enhancement allows ordering MDs to authorize scans ahead of member effective date
• Portal change makes referrals from out-of-state easier
• Detailed reporting now available to facilities/groups for PRP or web/phone usage
Ordering MD PPA compliance

- Improvement in compliance has been slower than expected
- Educational effort largest in recent decades
- Network Management currently working with NCHA, facilities and professional practices to address protocol issues (claim denial data used for targeted education)
**PRP program update**

- Program launched March 1
- 83 individual MDs qualified
- 9 groups qualified
- Approx. 10 groups requested detailed reporting for practice
- 34 MDs enrolled as of 5/1/08

### PRP MDs by Specialty

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<tr>
<th>Specialty</th>
<th>Number</th>
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<td>Urology</td>
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<td>Neurology</td>
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<td>Hematology</td>
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<tr>
<td>Neurological Surgery</td>
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<tr>
<td>Family Practice</td>
<td>2</td>
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<tr>
<td>Internal Medicine</td>
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<tr>
<td>Cardiovascular Diseases</td>
<td>1</td>
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<tr>
<td>Physical Medicine &amp; Rehab</td>
<td>1</td>
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<tr>
<td>Pulmonary Diseases</td>
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Program results

• BCBSNC is currently in the process of evaluating year-end results; allowing for program year (3/1/07 – 2/29/08) and claim run out, we expect to present the program’s affect on utilization trends for participating and non-participating membership at the next NCMGM meeting.
Electronic prescribing (ePrescribing) is an efficient, economical and secure way of using healthcare technology (e.g., computers or personal digital assistants) to improve prescription accuracy and patient safety, while increasing the use of more cost-effective drugs by providing patient specific drug information at the point of care.

- ePrescribers electronically and securely incorporate patient medical information with health plan formulary, patient eligibility and medication history at the point of care.

- The result is a safe and efficient process with more accurate medication orders being electronically sent to the patient’s pharmacy of choice.
• Time and safety advantages:
  − Streamline provider prescribing process
  − Clearer prescriptions: fewer calls and faxes to and from pharmacies asking for clarification on written scripts
  − Ability to automate prescription refill authorizations
  − Improve patient safety. ePrescribe will detect drug-drug interaction and provide information back to providers immediately
  − Point of care access to patient medication history
  − More time to devote to patient care
More than 850 prescribers currently participate
Over 4 million e-prescriptions written for North Carolinians since the program began
50% increase in rate of e-prescriptions in 2007
2007 ePrescribe statistics
  • 59% of e-prescriptions receive a drug-drug interaction warning, 10% are changed or cancelled
  • 1% of e-prescriptions receive a drug-allergy interaction warning, 35% are changed or cancelled
  • 32% of e-prescriptions receiving a formulary warning, 15% are changed or cancelled
In July, the BCBSNC Web site will contain links to internet providers and certified vendors so prescribers can understand the options and opportunities that exist with certified, stand-alone ePrescribing applications and electronic medical record systems that have an embedded electronic prescribing capability.

- The initiative will not offer or promote a specific connectivity, software or hardware vendor.

www.bcbsnc.com/eprescribe
• Prescribers can acquire free ePrescribing software from the National e-Prescribing Patient Safety Initiative (NEPSI) at either www.bcbsnc.com/eprescribe or www.nationalerx.com.

• NEPSI provides free Web-based electronic prescribing software to any physician with an Internet browser or Internet-enabled phone, requires no downloading or new hardware, and produces prescriptions in a matter of seconds that can be electronically sent.
Centers of Excellence
Centers of Excellence program for complex and rare cancers

• On April 28, 2008, BCBSNC expand the Centers of Excellence designation to include treatment of complex and rare cancers.

• Complex and rare cancers comprise approximately 15 percent of new cancer cases each year, making it difficult for health care consumers to locate or research an oncologist or surgical team that is experienced in treating these specific malignancies.
Centers of Excellence program for complex and rare cancers

- acute leukemia (inpatient/non-surgical)
- bladder cancer
- bone cancer
- brain cancer – primary
- esophageal cancer
- gastric cancer
- head and neck cancers
- liver cancer
- ocular melanoma
- pancreatic cancer
- rectal cancer
- soft tissue sarcomas
- thyroid cancer – medullary or anaplastic
Centers of Excellence program for complex and rare cancers

• Multidisciplinary team input, including sub-specialty trained teams for complex and rare cancers and demonstrated depth of expertise across cancer disciplines in medicine, surgery, radiation oncology, pathology and radiology

• Ongoing quality management and improvement programs for cancer care

• Ongoing commitment to using clinical data registries and providing access to appropriate clinical research for complex and rare cancers

• Sufficient volume of experience in treating rare and complex cancers

• bcbsnc.com or call 1-800-810-BLUE (2583)
Concierge Services
Concierge Service

• What is Concierge Service?
  – Medical service delivery model charging patients a retainer fee for more personalized services.

• Will BCBSNC pay the retainer fees for BCBSNC members to see these providers?
  – No. The additional fees are for services already covered and paid for today under the member’s benefits.

• Is this a contract violation for participating BCBSNC providers?
  – Yes charging additional fees is a contract violation and will result in contract termination.
Operational Efficiencies
Agenda

• Organizational Chart
• Provider Services Mission
• Overview of Provider Services
• Service Strategy
• Top Trends Related to Filing Errors
• Operational Enhancements
Provider Services Mission

Our mission is to deliver to Providers, Network Management, eSolutions, and other business units an avenue for efficient resolution of broad provider service issues impacted by Commercial and Government Operations.
Overview of Provider Services

Who We Are

• Located in the Commercial and Government Operations Division of BCBSNC.
• Partner with Network Management and e Solutions to service the provider community.
• Partner with various business areas throughout the company to facilitate the resolution of identified core operational issues.
• Service statewide hospital, professional, and ancillary community.

What We Do

• Promote and execute process improvement initiatives by providing recommendations for quality improvement of internal processes, policies, and procedures that impact identified core issues and service delivery to our participating providers.
• Identify training and communication opportunities for the CGO business units.
• Target, identify, and deliver provider educational opportunities.
• Facilitate the resolution of core operational issues identified through analysis as trends/patterns of untimely, inaccurate, or incomplete claims adjudication.
Service Strategy

• Present a unified, multi-dimensional and highly effective BCBSNC Service Team to the statewide provider community.
• Provide “end to end” and “closed loop” service resolution.
• Perform service execution analysis or “lessons learned” for continued process improvement.
• Conduct work sessions as needed.
• Provide root cause analysis with action planning to address and resolve current issues.
• Provide standardized documentation such as case summaries, analysis, and resolution documents.
Top Trends Related to Filing Errors

- **Unsolicited medical records**
  - Records sent in that were not requested or were requested from another provider.

- **Medical records sent in without the medical records request form**
  - When included on the claim, patient account numbers have been added to the request form.

- **Medical records submitted with insufficient information**

- **Corrected claims filed incorrectly**
  - New claims should be filed when a claim is mailed back.
  - All information should be submitted on a corrected claim.
  - Be sure to use correct bill type.
  - Prior to submission of a corrected claim, please validate that a NOP has been received for the original claim.
Top Trends Related to Filing Errors

- Missing, incomplete, or invalid information on a claim
  - Member number and/or alpha prefix
  - Primary payer information when BCBSNC is secondary
  - Admit and discharge dates for inpatient admissions
  - Number of units
  - Onset date of symptoms
  - Patients date of birth
  - Place of service code
  - Diagnosis code
  - Patient relationship code on UB04

- Use of unlisted codes when valid HCPCS or CPT codes exist

- Incomplete descriptions of unlisted DME codes.
Operational Enhancements

• Patient account numbers included on medical records request forms
  − When included on the claim, the medical records request letter will include the patient account number.
  − Local business (excludes SHP CMM, FEP, and IPP)
• Overview of Provider Education Unit Pilot
  − Dedicated Customer Service call center for Providers
  − Customer Service Representatives trained to handle provider issues
  − Pilot phase currently in process
Health Care Fraud and Abuse & Special Investigations Unit:
– Be Part of the Solution
Road Map

• Introduction
  – National Focus / Government Focus / Estimates

• Health Care Fraud and Abuse
  – Definitions / Types / Effects / Laws

• Special Investigations Unit
  – Mission / Staff / Investigations / Outcomes
  – Case Examples
  – Resources
National Focus

“What Medicare Fraud Costs You”
April 20, 2008

“A whopping $70 billion out of the estimated $400 billion budgeted for Medicare in 2008 may disappear this year due to fraud and mismanagement.”

“. . . which is equivalent to $233 for every American.”

CNBC Series with 3 health care fraud episodes:
• Dr. Jorge Martinez (episode 3)
• Dr. Ronald Mikos (episode 5)
• Robert Courtney (episode 11)
Government Focus

North Carolina Department of Insurance

Federal Bureau of Investigation

OIG, U.S. Office of Personnel Management

U.S. Drug Enforcement Administration

Centers for Medicare & Medicaid Services

North Carolina Department of Justice

United States Department of Justice

OIG, U.S. Department of Health & Human Services

U.S. Postal Inspection Service

ETC...
Estimates

NATIONAL ESTIMATES

- NHCAA estimates 3% of health care expenditures are lost to fraud annually
- Over $2 TRILLION in health care expenditures spent annually
- Potentially $60 BILLION lost annually

NORTH CAROLINA ESTIMATES

“[A]pproximately 10 percent of all insurance claims involv[e] some degree of fraud — totaling nearly $120 billion per year lost” – NCDOI Commissioner Jim Long
Definitions

**Fraud**: intentional misrepresentation; deception; intentional act of deceit for the purpose of receiving greater reimbursement or services.

**Abuse**: reckless disregard; conduct that goes against and is inconsistent with acceptable business and/or medical practices resulting in greater reimbursement or services.

- The major difference is that **fraud** is an intentional act while abuse is reckless conduct.
- Not an innocent mistake, such as a keystroke error on a bill.
- Committed by a very small number of people.
Types – Provider Fraud and Abuse

• Submitting Claims for Services Not Rendered
• Submitting Claims for Not Medically Necessary Services
• Misrepresentation of Services, Dates of Service, and Charges
• Upcoding services rendered
• Unbundling procedure codes
• Services rendered by non-licensed staff members
Types – Subscriber Fraud and Abuse

• Filing for services not rendered and supplies not purchased
• Enrollment of non-covered dependents
• Filing claims for services rendered to a non-covered individual under a covered dependent’s name
• Misrepresentation on health questions on enrollment application
• Filing workers compensation claims to receive duplicate payments
• Doctor Shopping
Effects

• Significant physical harm to patients which results in additional health care services and costs

• Reduced scope of insurance coverage, i.e.,
  – Elimination of certain benefits
  – Lower lifetime maximum benefits

• Increased cost of insurance coverage, i.e.,
  – Increased premiums or employee contributions
  – Increased co-payments and deductibles

• Increased health care costs
Important Laws

• Anti-Kickback Statute

• False Claims Act
  – Qui tam / “Whistleblower”
  – Non-retaliation
Special Investigations Unit

• **Mission:** The SIU is the department within BCBSNC dedicated to detecting, investigating, preventing, prosecuting and recovering the loss of corporate and customer assets resulting from fraudulent and abusive actions committed by providers, subscribers, and employees.

• **Staff:** 15 total (1 Director, 1 Program Manager, 2 Lead Investigators, 6 Investigators, 1 Senior Investigations Analyst, 2 Investigations Analysts, 1 Medical Director, and 1 Coordinator).
SIU Staff

**Staff in Depth:**
- Former Health Care Fraud Prosecutor
- Former FBI Agent w/ Health Care Fraud Investigations Experience
- Former Tri-Care/Champus, Medicare, Medicaid Investigator
- Former Medicaid Fraud Investigators
- Accredited Healthcare Fraud Investigators
- Certified Fraud Examiner
- Certified Professional Coders
- Medical Director
- Registered Nurse

Over 140 years BCBSNC & 50 years SIU experience
5 former law enforcement / health care fraud investigators
SIU Investigation Steps - Generally

- Health care fraud and abuse investigations are complex and take time to develop.
- Each investigation is unique, and no two are identical.
- Generally, investigations are developed through internal / external referrals and proactive data analysis.
- Investigators compile the necessary resources, i.e., claims data, contracts, benefit terms, medical policies, medical records, etc.
  - Investigators research and analyze data, conduct necessary onsite visits and interviews, and complete reports.
  - Medical records are reviewed by a Medical Director and/or an outside consultant.
  - We are required by law to report cases of fraud and abuse to certain regulatory agencies and law enforcement.
SIU Investigation Outcomes

• Subscriber/Provider Education
• Overpayment Recoupment
• Provider Network Termination
• Subscriber/Group Termination
• Civil Litigation
• Regulatory Agency and Law Enforcement Referral
• Criminal Prosecution
Headlines – SIU Case Examples

- Physician Assistant (PA) becomes a doctor without graduating from medical school.
- Employee receives health insurance coverage for “spouse” without benefit of wedding ceremony.
- 1 Husband + 1 Wife + 1 Girlfriend equals bad news.
- Have insurance coverage will travel.
- Simple Math: 2 Groups + 2 Employees + 1 SSN = fraud.
SIU on the Internet

http://www.bcbsnc.com/inside/fraud/
SIU Resources

Blue Cross Blue Shield Association Network

50 States
39 Blues Plans
650 SIU Employees
Your Role

How you can help prevent fraud & abuse:
• Ask for a picture ID to confirm insurance card information
• Protect your prescription forms, which are often stolen and used in pharmacy fraud schemes
• Check patient histories to help prevent prescription drug fraud

• Verify that billing codes are accurate
• Implement best practices to ensure all information is accurately communicated to your billing staff and to any third-party firms
• Report suspicions of fraud and abuse to the SIU immediately
Reporting

Be part of the solution:
• Our goal is to preserve health care quality and affordability
• We will continue to work with doctors, hospitals, consumers and, where appropriate, law enforcement to identify and prevent fraud & abuse
• Fraud & abuse affects every doctor, hospital, and patient in the country, wasting billions of dollars every year
• Help us eliminate this costly problem

Report fraud and abuse to the SIU:
• Fraud Hotline: 1-800-324-4963
• Fax: 1-919-765-7753
• Internet: www.bcbsnc.com/inside/fraud/
• Mail: Special Investigations Unit
  Blue Cross and Blue Shield of North Carolina
  P.O. Box 2291
  Durham, North Carolina 27702-2291

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Thank you!

Your Questions Please