

Addendum to the Blue Book<sup>SM</sup> Provider eManual  
– Blue Medicare HMO<sup>SM</sup> and Blue Medicare PPO<sup>SM</sup> Supplemental Guide

This addendum is to the Medicare Advantage Supplemental Guide (provider manual supplemental guide) to the Provider eManual (provider manual). In the event of any conflict between the information and terms of this addendum and the provider manual supplemental guide or the provider manual, this addendum will control.

BCBSNC's contracts with participating providers in Medicare Advantage permit certain notices to be provided electronically. In accordance with the contract, BCBSNC may provide electronic notice of new policies, rules, practice guidelines and administrative instructions ("policies and procedures"), as well as changes to the Provider Manual. Policies and procedures may include but are not limited to reimbursement policies, billing policies, utilization review policies, quality improvement policies, credentialing policies and provider sanction programs. Policies and procedures may be set out in the provider manual, the provider manual supplemental guide, and/or on bcbsnc.com.

Notices of updates to language within the provider manual or provider manual supplemental guide will be posted on bcbsnc.com in the section pertaining to eManuals. Medicare Advantage Policies and procedures that are posted on bcbsnc.com and are not duplicated within the provider manual or provider manual supplemental guide are deemed referenced by the provider manual supplemental guide and can generally be found at <http://www.bcbsnc.com/content/providers/blue-medicare-providers/index.htm>. In some instances, BCBSNC may in its discretion also send these notices by additional communication channels to maximize provider attention to such notices, such as by mailing or e-mailing such notices. To find the most recent information, always refer to the information on bcbsnc.com.

Further Alignment of Medicare Advantage Provider Reimbursement with Original Medicare

In the federal Budget Control Act of 2011 ("BCA"), the United States Congress adopted a budget policy often referred to as sequestration ("Sequestration") that mandated specific reductions in federal spending unless certain budget reforms could be enacted by Congress. Congress failed to enact these reforms, so Sequestration took effect on March 1, 2013.

As a result, the Centers for Medicare and Medicaid Services ("CMS") complied by instituting various payment methodologies that took effect on April 1, 2013, including a 2% downward adjustment to payments made by CMS to health care providers and suppliers for items and services supplied under Part A and Part B of Medicare, and a separate 2% downward adjustment to payments made by CMS to Medicare Advantage Organizations ("MAO") such as BCBSNC, for administration of Medicare Advantage plans under Part C of Medicare. Although many other Medicare Advantage plans implemented Sequestration adjustments in 2013, BCBSNC spent the past two years studying the issue and delayed implementing a similar adjustment until we believed that it was necessary to do so.

Additionally, in adherence with a provision of the Affordable Care Act, CMS has adopted a multiple procedure payment rule (“MPPR”) for circumstances in which certain diagnostic radiology procedures are furnished to the same patient during the same session on the same day. When such circumstances occur, CMS will reimburse the primary procedure at 100% of the allowed amount and reduce the allowed amounts for the second and each subsequent procedure furnished during the session. In order to better align its Medicare Advantage products with CMS payment rules, BCBSNC is implementing a similar policy and will apply a MPPR adjustment when certain diagnostic radiology procedures are supplied in combination by the same physician, to the same patient, during the same session, on the same day. Consistent with the CMS national physician fee schedule (“NPFS”), BCBSNC will recognize the technical component (“TC”) of the primary procedure at 100% and will apply a 50% MPPR adjustment to the TC of the second and each subsequent procedure. This adjustment will apply to claims filed with the TC modifier (“-TC”) and to the TC portion of services that are billed globally. Additionally, BCBSNC will recognize the professional component (“PC”) of the primary procedure at 100% and will apply a 25% MPPR adjustment to the PC of the second and each subsequent procedure. This adjustment will apply to claims filed with the PC modifier (“-26”) and to the PC portion of services that are billed globally.

The reimbursement policies establishing and detailing these adjustments, along with other reimbursement policies that apply to BCBSNC’s Medicare Advantage plans, can be found at [bcbsnc.com](http://bcbsnc.com).