Important Information about Our Claims Processing System Transformation

May 22, 2013

Dear Valued Provider:

I am writing to provide you with an update on the transition of the Independence Blue Cross (IBC) claims processing system to the Highmark platform and to inform you of the changes that will impact you. We are communicating these changes to you in advance to help you prepare for any impacts that may occur for your provider practices or facilities.

The migration of IBC membership to the Highmark platform will be completed in stages, generally based on our customer/member health benefit renewal cycle. A few small employer groups as well as Federal Employee Program (FEP) and Host BlueCard® claims processing will migrate on November 1, 2013. The overall migration schedule is not yet final, but we do anticipate migrating business at a more rapid pace throughout 2014 and ultimately transitioning all claims processing to the Highmark platform by mid-2015. During the migration we will be working with you in a dual claims-processing and business operating environment until all of our business is on the new claims processing platform. In other words, as we transition to the Highmark platform, we will process a larger proportion of claims and business transactions on the Highmark platform as members are migrated. We will continue to process claims and conduct business transactions on the current IBC platform for members that have not yet migrated.

As previously communicated through our Partners in Health Update monthly newsletter, our new claims processing platform will offer greater capabilities, increase flexibility in benefit design, and enhance functionalities for an improved overall customer experience. We are committed to keeping you informed along the way with any additional changes. We encourage you to read Partners in Health Update each month and to visit our Provider News Center frequently to keep abreast of the upcoming changes and review more specific details as they become available. If you are not familiar with our Provider News Center, you may access it through a link on the NaviNet® web portal in the Business Transformation box or directly on our website at www.ibx.com/pnc.

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The Nature of These Changes
The following business process changes will occur in a transitional manner from now through 2015 as IBC migrates our membership onto the new operating platform and makes changes to the way we conduct business with you. The potential impacts of these changes are outlined below and may change as we further prepare for the migration. Any changes will be announced on the Provider News Center.

- **Provider Payment.**
  - During the migration period and after all members have migrated, you will receive different formats of SORs/835s for claims processed on the Highmark platform. You will continue to receive our current format of the SOR/835 for claims processed on the IBC platform. Based on differences in the Highmark platform, you may see an increased volume of SORs/835s for claims processed. Additional information regarding the format and information displayed will be provided on the Provider News Center.
  - Your reimbursement rates will remain the same and payments will continue to be issued daily for 837I/UB claims processed on the IBC platform. However, payments for claims processed on the Highmark platform will be made weekly for providers that bill an 837I/UB claim type. Therefore, for dates of service/admit dates on or after November 1, 2013, payments will transition to weekly for FEP, Host, and facility claims and for all members as they migrate to the Highmark platform.
  - In order to help you manage this transition, 837I/UB claim submitters will be able to use NaviNet to access information about the estimated payments that will be included in your weekly check run, effective for dates of services on or after November 1, 2013, for migrated members.
  - Overpayment recoveries will continue to be processed through claim offset(s) on both platforms. Additional information regarding the specific communications mechanism(s) will be provided on the Provider News Center as it becomes available.

- **Claims Submission/Reporting Requirements.**
  - Effective November 1, 2013, additional data elements will be required to ensure proper claims processing. For example, taxonomy codes will be required on all claims submissions. Information regarding the specific data elements required can be found in the recently published IBC HIPAA Transaction Standard Companion Guide, which is available on our website at www.ibx.com/providers/claims_and_billing/x12_gateway.html.
  - Effective November 1, 2013, mom/baby inpatient hospital claims must be submitted as separate claims — one for the mom and one for the baby — for all members, regardless of their migration status.
• **Electronic Data Interchange (EDI) Trading Partner Migration.** We have been actively communicating to Highmark and IBC trading partners over the past six months, and copies of those communications can be found on our Provider News Center at [www.ibx.com/pnc](http://www.ibx.com/pnc). Essentially, the changes include:

  – From mid-May through the end of October 2013, all trading partners (clearinghouses, providers, and billing services) will move to the Highmark Gateway for EDI claims and discontinue use of the current NaviNet X12 Gateway.
  
  – Trading partners will submit/receive all transactions to/from the Highmark Gateway.
  
  – New Trading Partner Agreements, trading partner logon credentials, and support processes will all be required. In addition, there will be differences in connectivity and file enveloping.
  
  – To avoid claims processing issues, we encourage you to speak with your trading partner to ensure that they are ready to electronically submit HIPAA standard transactions using the Highmark Gateway.

• **Medical and Claim Payment Policy/Medical Code Set-Up.** IBC will continue to develop and maintain IBC’s Medical and Claim Payment Policies, which will still be available at [www.ibx.com/medpolicy](http://www.ibx.com/medpolicy) and through NaviNet. IBC’s policies will be enforced on both the IBC and Highmark claims platforms. However, some differences in claims processing and outcomes between the two systems may occur as outlined below.

  – The calculation method used in applying Multiple Surgical Reduction Guidelines on the Highmark platform for professional providers will be based on the procedure reported “Allowed Amount,” which is RVU-based and not the derived “Surgical Ranking,” which is currently used on the IBC platform. The IBC Claim Payment Policy addressing Multiple Surgical Reduction Guidelines is being updated to reflect this change and to disclose the different calculations being used within the two claims platforms.

  – Clinical Relationship Logic, or Code to Code Edits (e.g., Incidental, Integral, Component, Mutually Exclusive, etc.), applied to professional claims may differ depending upon the platform on which the claim is processed, as the McKesson ClaimCheck® product will not be used on the Highmark platform. Clinical Relationship Logic, which is based on national standards and is currently used on the Highmark platform, will be applied to IBC’s commercial products, and Medicare’s NCCI edits will be applied to IBC’s Medicare Advantage products.

  – Clinical Relationship Logic applied to professional claims on the IBC platform will continue to be disclosed through IBC’s current Clear Claim Connection™ tool, which is available through NaviNet or [www.ibx.com](http://www.ibx.com).

  – Information regarding Clinical Relationship Logic that will be applied to professional claims on the Highmark platform will be made available on [www.ibx.com/medpolicy](http://www.ibx.com/medpolicy).
• **NaviNet.** The NaviNet web portal will undergo a series of changes and enhancements that will affect your day-to-day operations. Starting in the fourth quarter of 2013, you will begin to see a difference in the look and feel of the provider portal, as well as in transaction functionality. The following is a summary of the significant changes:

  – **Provider Drop-Down Menu.** Modifications to NaviNet office configurations will be implemented and the data display will be changing. Customized provider naming conventions will not be supported on the new platform. Provider data will reflect the name as it appears in our corporate provider repository.

  – **Rejected Claim Status Inquiry.** This transaction will be removed from the IBC Plan Transactions menu due to low utilization.

  – **Accepted Claim Status Inquiry.** The transaction name will be changed to Claim Status Inquiry. The Tax Identification Number search criteria will be eliminated, and only IBC claims data will be retrieved in the search results. Additionally, the display of claim information will be changing along with some terminology.

  – **Request A/R Aging Report and View A/R Aging Reports.** These transactions will be removed from the IBC Plan Transactions menu due to low utilization.

  – **Claims INFO Adjustment Submission.** This transaction will be embedded within the Claim Status Inquiry transaction. For claims processed on the Highmark platform, providers will be offered a new transaction called Claims Investigation.

  – **CMS-1500 and UB Claim Submission and Claim Estimator.** New transactions will be introduced that allow providers to submit CMS-1500 and UB claims directly through NaviNet. Additionally, new tools will be made available to assist with estimating member responsibility.

  – **Claims Dashboard.** A new transaction will be introduced to assist with A/R management. Providers will be able to assess their A/R at summary and claim-specific levels.

  – **Eligibility and Benefits Inquiry.** The display of IBC member eligibility and benefits information will be enhanced to provide more efficient access to member-specific detail. Clinical Care Reports and Clinical Alerts will be accessible through the Member Detail screen.

  – **Online SOR.** The Online SOR will be retired during the transition to the Highmark platform. For migrated members, a new Explanation of Benefits (EOB) and Remittance transaction will be introduced and will provide a complete remittance that can be downloaded and saved for future reference.

  – **Encounter Submission.** To accommodate new Health Care Reform requirements, the Encounter Submission form will be modified to capture additional data related to member visits.

  – **Referral Submission and OB/GYN Referral Submission.** The Referral Submission and OB/GYN Referral Submission forms will be combined into a single transaction to provide a more streamlined process for submissions.
- **Specialty Cap Roster Report.** The Cap Roster Report transaction will be enhanced to allow electronic access to rosters for our capitated radiology, laboratory, and physical therapy providers. Paper rosters will be discontinued as members migrate to the Highmark platform.

- **QIPS Report.** Primary care providers participating in the Quality Incentive Payment System (QIPS) program will have access to a new monthly QIPS payment report through NaviNet.

- **Provider Change Form.** The Provider Change Form transaction will be enhanced and renamed Provider File Management. The new transaction will offer additional functionality to assist providers with maintenance of provider information.

- **Primary Care Capitation and QIPS Payment Changes.** For all members that have not yet been migrated to the Highmark platform, all current business practices for Capitation and QIPS will remain in effect. However, Capitation and QIPS payments will be processed on two systems, depending on the member’s migration status.

  For members migrated to the Highmark platform, the following changes will apply:

  - Capitation and QIPS payments will be combined into one payment and disbursed via electronic funds transfer (EFT) on the current Capitation payment schedule. Paper checks will be discontinued.
  
  - Rosters to support Capitation and QIPS payments will be accessible via NaviNet — paper copies will not be available.
  
  - Standard retroactivity of up to six months will be applied to QIPS in the same way it’s currently applied to Capitation.
  
  - The requirements for encounter submissions through NaviNet or EDI will be modified to capture additional data related to member visits.

- **Provider IVR Changes.**
  
  - As members are migrated to the Highmark platform, providers will no longer have access to IVR functionality.
  
  - Effective October 14, 2013, providers will no longer be able to submit encounters and referrals for any member, regardless of their migration status. Providers must use NaviNet for referral submissions and either NaviNet or EDI to submit encounters.

- **Member ID Card Reissue.**
  
  - New member ID cards will be issued to members as they are migrated to the Highmark platform, beginning in November 2013.
  
  - Migrated members will be issued a single ID number that applies to both the subscriber and his or her dependents. We advise that you ask each member for his or her current ID card at each visit and make a copy for your records. This new ID number is required when submitting claims for migrated members.
  
  - As always, it is important to verify member eligibility at each visit through NaviNet prior to rendering services.
Dual Claims-Processing Environment Until Mid-2015

As previously mentioned, during the migration we will be working with you in a dual claims-processing and business operating environment until all of our membership has successfully migrated onto the Highmark platform. We are committed to keeping you informed throughout the process and will address any concerns you may have as quickly as possible.

Next Steps

In preparation for this transition, please ensure that 1) your office is registered for NaviNet, 2) your staff has the appropriate access to use NaviNet, and 3) your office is set up to receive EFT. If you have questions regarding the registration process, how to set up proper access, or how to set up an EFT account, please call the eBusiness Provider Hotline at 215-640-7410.

We invite you to frequently visit our Provider News Center at www.ibx.com/pnc as we will continue to provide more detailed information about our Business Transformation in one central location as it becomes available. This letter will also be available on the site for your reference throughout the migration.

Questions

If you have questions related to the transition, please email us at provider_communications@ibx.com. Thank you for participating in our network and for delivering quality care to our members, your patients.

Sincerely,

Douglas L. Chaet
Senior Vice President
Contracting and Provider Networks

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