



**First Health
Services Corporation**[®]

A Coventry Health Care Company



January 2007

Alaska Medical Assistance Newsletter

Volume 2, Number 1

First Health Services Corp.
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January 2007

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FHSC and the State of
Alaska offices will be closed
on

January 1

January 15

Useful Fax numbers:

PA: 644-6831
PI/Enrollment: 644-8127
EPS: 644-8122
Finance: 644-8120

Newsletter Terms:

Enumerate: To name or
count off one by one.

First Health Services, in conjunction with the Department of Health & Social Services, publishes this monthly newsletter to offer providers useful information, monthly reminders, and tips on how to make billing easier.

NPI, What Is It and Why Do We Care?

WHAT? The NPI is a 10-digit number, with a check digit in the last position to help detect keying errors. The number does not contain any embedded intelligence and contains no information about the health care provider such as type of practice or type of facility or location.

WHY? There are two goals of HIPAA: The first is to develop and implement administrative simplification strategies intended to reduce administrative costs and burdens. The other is to implement procedures to secure health care information and privacy for all involved.

WHO? It is important to note that **not** all health care providers will necessarily be required to obtain NPIs. Some health care providers are not covered entities under HIPAA and the fact that a health care provider obtains an NPI does not impose covered entity status on that health care provider. Only those entities that (1) meet the definition of health care provider and (2) transmit protected health care information in an electronic form, or that use a business associate to transmit protected health care information in an electronic form are required to obtain an NPI.

An NPI is expected to last indefinitely!

Health care providers can apply for an NPI online, via e-mail, telephone or by mail.

For the most efficient application processing and the fastest receipt of NPIs, use the web-based application process. Simply log onto National Plan and Provider Enumeration System (NPPES) and apply online:

<https://nppes.cms.hhs.gov/NPPES/StaticForward.do?forward=static.instructions>

Health care providers can agree to have an Electronic File Interchange Organization (EFIO) submit application data on their behalf (i.e., through a bulk enumeration process) if an EFIO requests their permission to do so.

Health care providers may wish to obtain a copy of the paper NPI Application/Update Form (CMS-10114) and mail the completed, signed application to the NPI Enumerator located in Fargo, ND. Staff at the NPI Enumerator will enter the application data into NPPES.

**Beginning January 1, 2007 there are
142 Calendar Days
left until May 23, 2007!**

1st LEVEL

Where do I send my first level appeal?

First Health Services Corporation (FHSC)
Attn: Appeals
P.O. Box 240808
Anchorage, AK 99524-0808

Qualis Health
Attn: Care Management Department/Appeal Review
10700 Meridian Avenue North, Suite 100
P.O. Box 33400
Seattle, WA 98133-0400
Phone: (800) 783-7876
Fax: (800) 826-3630

Making Appeals Appealing

First Level Appeals

New regulations (7 AAC 43.083) will change the length of time a provider has to submit a first level appeal. Effective December 30, 2006, most first level appeals must be filed within **180 days** of the adverse decision. Providers may appeal a denied or reduced claim, non-certification of hospital admission or length of stay, denied or reduced prior authorization request, non-certification of a service that requires certification by a quality improvement organization, and denied enrollment or disenrollment. First level appeals relating to a disputed recoupment of an overpayment must be filed within **60 days** of the overpayment notice.

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Denied or reduced claim
- *Recoupment of overpayment request
- Denied or reduced prior authorization request for the following services
 - Durable medical equipment, prosthetic and orthotics, and selected pharmaceutical drugs
 - All non-emergent, medically necessary transportation and accommodation services
 - Selected professional services as indicated in the fee schedules
 - Services in excess of annual or periodic service limitations (vision, mental health, etc.)
 - All respiratory therapy, home health care services, private duty nursing, and hospice care
 - All outpatient Magnetic Resonance Imaging (MRI), Positron Emission Tomography (PET) scans, and Single Photon Emission Computerized Tomography (SPECT) scans.
 - Chronic and Acute Medical Assistance (CAMA) program recipients requiring outpatient radiation and chemotherapy
 - Certain maternal/newborn admissions. Please refer to the chart found at <http://hss.state.ak.us/dhcs/authorization.htm>.

*Must be filed within 60 days of the overpayment notice

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Non-certification of selected inpatient and/or outpatient procedures and diagnoses, regardless of length of stay. The *Select Diagnoses and Procedures Pre-Certification List* may be obtained at <http://www.qualishealth.org/cm/alaska-medicaid/index.cfm>.
- Non-certification of an inpatient hospital stay that exceeded three (3) days
- Denied or reduced prior authorization request for certain maternal/newborn admissions. Please refer to the chart found at <http://hss.state.ak.us/dhcs/authorization.htm>.

First Health Services Corporation/Health Care Management (FHSC/HCM)
4300 Cox Rd.
Glen Allen, VA 23060
Phone: (877) 561-6720
Fax: (877) 561-6721

Department of Health and Social Services
Division of Behavioral Health
Attn: Claims Appeal Section
3601 C Street, Suite 878
Anchorage, AK 99503

Department of Health and Social Services
Division of Senior and Disabilities Services
Attn: Claims Appeal Section
3601 C Street, Suite 310
Anchorage, AK 99503

Refer to the address located on the *Department Addresses for Second Level Provider Appeals list* for the type of service you provide. Please refer to this link

2nd LEVEL

7 AAC 43.977
Effective
December 30, 2006

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Psychiatric admissions and continued stays
- Residential Psychiatric Treatment Center (RPTC) admissions and continued stays

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Denied or reduced prior authorization request for substance abuse rehabilitation services in excess of annual or periodic service limitations

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Denied or reduced prior authorization request for the following services
 - Administrative wait and swing bed stays at acute care facilities
 - All Long Term Care (LTC) facility admissions and continued stays
 - Home and Community-Based Waiver services
 - Personal Care Attendant (PCA) services

If your appeal relates to the list below, send the appropriate paperwork to the entity listed in the adjacent column on the left.

- Denied enrollment or disenrollment

<http://www.hss.state.ak.us/publicnotice/PDF/171.pdf>

Second Level Appeals

New regulations (7 AAC 43.085) change where **second level appeals** are sent. Effective December 30, 2006, second level appeals must be filed within **60 days** of the first level appeal decision and sent to the Department of Health and Social Services Office or Division indicated in the *Department Addresses for Second Level Provider Appeals list* for the type of service you provide. Please refer to the link indicated below to obtain the list.

A complete copy of the adopted regulations is available at <http://www.hss.state.ak.us/publicnotice/PDF/171.pdf> with the *Department's Addresses for Second Level Provider Appeals List* as an attachment.

Quality Assurance

The Department of Health and Social Services shall establish a quality assurance program to ensure provider compliance with AS 47.05 Administration of Welfare, AS 47.07 Medical Assistance for Needy Persons, and 7 AAC 43. The Department will conduct random program reviews of a sampling of providers on an annual basis. After each review, the Department shall issue a written report of findings as to whether or not the providers are in compliance with the provisions.

7 AAC 43.977 Quality Assurance. You can read the changes in their entirety by going to:

<http://www.legis.state.ak.us/cgi-bin/foioisa.dll/aac/>

Newsletter Terms:

Quality Assurance

Program: A plan that continually assesses the effectiveness of patient care.

QIO: Quality Improvement Organization.

Nurse Anesthetist
7 AAC 43 1990(61)

Upcoding: A coding inconsistency that involves using a code for a procedure or diagnosis that is more complex than the actual procedure or diagnosis and that results in higher reimbursement to the provider.



Repealed and Readopted:

7 AAC 43.081(c);
7 AAC 43.081(d);
7 AAC 43.081(e); and
7 AAC 43.081(f)

Quality Assurance (con't)

If it is found that a provider is not in compliance, the Department may send a written notice to the provider entailing the nature of the discrepancies or violations and the dollar value and method used to compute the amount. The notice may include further actions to be taken or sanctions to be imposed. There may be a requirement to audit the provider or require the provider to implement a corrective action plan, or even immediate suspension of the provider's participation in the Medicaid program.

Planned Inspections for Hospitals. To participate in the Medicaid program a hospital must have a utilization review plan approved by the United States Department of Health and Human Services and must participate in a review of health care services to Medicaid recipients. The Department or its designee will conduct an annual on-site hospital review under this subsection. The review will be planned in advance and in coordination with the hospital.

CRNAs Are Included

The term "physician collaborator" as defined in the Alaska Administrative Code now includes the category "nurse anesthetist." A nurse anesthetist must be licensed in the State of Alaska and certified to select and administer anesthetic, give anesthetic care, and must practice within the scope of that license and certification.

Upcoding Going Down

A quick review of Evaluation and Management codes will certainly help start the new year out right. There are seven major components used for evaluating the level of care provided to an individual. Three of the seven components are key; those are **History, Examination and Medical Decision Making**. History and Examination both have four subcategories: (1) problem focused, (2) expanded problem focused, (3) detailed, and (4) comprehensive. Medical decision making has four subcategories: (1) straightforward, (2) low complexity, (3) moderate complexity, and (4) high complexity. The other categories are contributory factors and include counseling, coordination of care, presenting problem, and time. There are criteria to be met in order for time to be considered a key component. The medical record must support the three key components: (1) history, (2) examination and (3) medical decision making and the contributing component time spent, not simply the time spent. For example, the duration of a visit should not be the only supportive factor for your choice of codes, and choosing to bill at a higher code level without using the key components to warrant the use of the code could be considered upcoding.

Direct Entry Midwife CPT Code

Effective January 1, 2007 CPT code 99381 will **no longer** be a covered service for Direct Entry Midwives. The use of codes 99432 and/or 99435 are more accurate and still may be used by DEMs.

Recovering An Overpayment

Before the Department of Health and Social Services recoups an overpayment, the Department shall notify the provider in writing at least 60 days before recoupment of the overpayment begins. The notice must include the reason for the recoupment, the amount of the overpayment that the Department will recoup, and the provider's right to an appeal. If a provider discontinues billing for Medicaid services after receiving the

Repealed

7 AAC 43.081(g)

Newsletter Terms:

Recoupment: an action by the division to recover an overpayment by reducing future payments to the provider until the amount of the overpayment has been offset.

RVUs. A measurement unit for physician work, practice expenses, and malpractice costs used to determine the worth of an activity associated with a healthcare service.

Got NPI?

Online:

<https://nppes.cms.hhs.gov>

Phone: 1-800-465-3203 or
TTY 1-800-692-2326

E-mail:
customerservice@npienumerator.com

Mail:

NPI Enumerator
P.O. Box 6059
Fargo, ND 58108-6059

Recovering An Overpayment (con't)

notice of overpayment, the Department will send a written demand to the provider for repayment of the balance of the overpayment.

The recoupment process does not apply to probate collections, actions under sanctioned providers, bankrupt or out-of-business providers. This section does not apply to recoupment that is based solely on a prospective payment rate or recoupment actions identified in an audit. Please review 7 AAC 43.081 using the link below:

<http://www.legis.state.ak.us/cgi-bin/folioisa.dll/aac>

Relative Value Units for 2007

The Division of Health Care Services gives notice to the public that the following items adopted by reference in Medicaid regulations in 7 AAC 43.010, 7 AAC 43.104, 7 AAC 43.108, 7 AAC 43.453, 7 AAC 43.461, 7 AAC 43.517, 7 AAC 43.642, 7 AAC 43.830, 7 AAC 43.921, 7 AAC 43.922, 7 AAC 43.923, 7 AAC 43.926, 7 AAC 43.927, 7 AAC 43.942, 7 AAC 43.1058, 7 AAC 43.1910, 7 AAC 43.1960, 7 AAC 43.1970, and 7 AAC 43.1980 have been updated and will go into effect on January 1, 2007:

The Relative Value Units (RVUs) used in the Medicare Program for the determination of fee schedules and medical procedures were published in the Federal Register on December 1, 2006 for use in the year 2007. The Division of Health Care Services uses the relative value units in conjunction with the fee schedule calculated under 7 AAC 43.108 (Resource Based Relative Value Scale Reimbursement). The 2007 version of the descriptions and billing codes provided in the Healthcare Common Procedure Coding System (HCPCS) coding reference guide; the 2007 version of the Current Procedural Terminology (CPT) published by the American Medical Association; the Relative Value Units for 2007, the 2007 versions of the descriptions and billing codes provided in the Healthcare Common Procedure Coding System (HCPCS), and the Current Procedural Terminology (CPT) published by the American Medical Association, are adopted by reference, as amended from time to time, under the authority of AS 44.62.245 and AS 47.05.012.

The effective date for the amended versions of all of the materials described above is January 1, 2007. Copies of the above materials are available for public review at the Division of Health Care Services, 4501 Business Park Boulevard, Suite 24, Building L, Anchorage, Alaska 99503-7167.

For more information contact Kurt West, Project Coordinator, Department of Health and Social Services (907) 465-3228 or by email at kurt_west@health.state.ak.us.