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HEALTH CARE LAWYERS & ADVISORS

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## Changes to Anthem Blue Cross' Provider Manual May Impact Reimbursement

Anthem Blue Cross has recently made changes to its Facility Provider Manual which seek to negatively impact the amount of reimbursement due under agreements with Blue Cross. We understand that these changes will be effective April 22, 2014.

The following are some of the changes that may have a financial impact:

- Blue Cross removed the reference to 12 hours for outpatient services provided prior to an inpatient admission that was in the prior manual. The revised language currently reads: "The inpatient rate(s) will include emergency and non-emergency Hospital outpatient services that are provided prior to an inpatient admission and are related to the condition for which the Covered Individual is admitted." Thus, if you expected to be paid for outpatient services provided prior to an inpatient admission, Blue Cross may try to use this new language to deny payment based on those charges.
- The Outpatient Surgical Services provision has been revised to include "professional services provided or arranged by Facility." Blue Cross may try to use this language to disallow some professional charges for which the facility may have a legitimate expectation of separate reimbursement.
- The Outpatient Surgical Services provision has also been revised in a manner which states that "the lesser of calculation shall be based on all charges billed on a single claim (and not separated out on a per date of service/visit basis.)" Blue Cross may try to use this language to deny recurring services for which your facility bills one claim per month.
- For post emergency admissions, the following language was added: "If the Covered Individual is admitted as an inpatient following an Emergency Department Visit, the services rendered in connection with the emergency condition are inclusive to the applicable inpatient Anthem Rate and the applicable inpatient reimbursement shall begin on the date that the Covered Individual is first admitted as an inpatient." If you expected to be paid an emergency services rate in addition to the inpatient per diem rate, Blue Cross may try to use this new language to ignore those emergency services charges. Moreover, if stop loss reimbursement were to apply, the stop loss calculation should apply with the first charge, not on the first day the patient is admitted.

There also are many items that Blue Cross has added to the Hospital Stop Loss Exclusions List, which Blue Cross might try to use to avoid paying despite an expectation under the existing contract language that these items would be included in a Stop Loss calculation, such as:

- Observation hours may never exceed the charge of a semiprivate room charge. Blue Cross might attempt to use this provision to deny charges for patients who are in observation for more than 24 hours.
  - Oxygen charges when patient is on a ventilator. While a patient typically would not be on oxygen and a ventilator at the same time, it is possible for these two charges to occur on the same day for different times of the day.
  - Blood storage and blood administration. Hospitals may charge separately for items under this category, e.g., irradiation fees and thawing of platelets for specific patients.
  - Anesthesia (specifically conscious/moderate sedation). There may be cases where moderate sedation are charged separately, such as when it is needed outside of a procedural room (e.g., surgery room, endoscopy, interventional radiology), such as in the emergency room.
  - Bedside/point of care/near patient testing and local anesthesia. We have had clients who have successfully challenged the disallowance of these charges.
- For emergency services, Blue Cross has included language which states that "Anthem Blue Cross defines the complexity level of service for the E&M codes as described in the table below." Blue Cross may try to use the changes to this section of the manual to downgrade the level of care for emergency services.
  - Blue Cross also has made changes to the implant provisions of the manual which it may try to use to disallow payment for certain implants, such as implants which come into contact with the patient's body which needed to be discarded.

There are many other provisions of the manual which Blue Cross has amended and may try to use to affect your contractual right to reimbursement. There are a number of actions we recommend that you can take to preserve your rights with respect to these issues if your contract requires payment for these services absent Blue Cross' attempt to modify your compensation through amending its manual.

*If you would like to learn more more about these issues, please contact Daron Tooch or Glenn Solomon in Los Angeles at 310-551-8111.*