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CMA On-Call

Throughout this publication, you will find references to “CMA On-Call” documents. On-Call is an online library that contains over 4,500 pages of medical-legal, regulatory, and reimbursement information.

On-Call documents are available free to CMA members at www.cmanet.org/member. Non-members can purchase On-Call documents for \$2 per page in the CMA bookstore, www.cmanet.org/bookstore.

CMA Resources

When you see this icon, that means there are additional resources available free to CMA members at the CMA website. To access any of these resources, visit www.cmanet.org/ces.

If you have difficulty logging onto the members-only website, contact CMA's member service center, 800/786-4CMA (4262) or memberservice@cmanet.org.



CMA Center for Economic Services

1201 J Street, #200, Sacramento, CA 95814
economicservices@cmanet.org • 916/551-2061

CMA Practice Resources (CPR) is a free monthly bulletin from CMA's Center for Economic Services. This bulletin is full of tips and tools to help physicians and their office staff improve practice efficiency and viability.

SUBSCRIBE NOW: Sign up for a free subscription at www.cmanet.org/news/cpr.

SPREAD THE WORD: Please forward this bulletin to your coworkers and colleagues.

Report Unfair Payment Practices

CMA is fighting on your behalf to curb abusive practices by third party payors. Our goal is to not only enact meaningful laws, but to make sure that these laws are enforced by state regulators. Unfair payment practices include, but are not limited to:

- Improper denial or delay in payment of a claim
- Failure to acknowledge receipt of a claim
- Underpayment
- Dispute resolution difficulties
- Untimely requests for refunds
- Unilateral contract amendments

Note: Physicians should first appeal all unfair payment practices through the payor's Provider Dispute Resolution (PDR) process and allow at least 45 working days for the dispute to be resolved. If the plan fails to resolve the issue, physicians should file a formal complaint with the appropriate regulator.

TAKE ACTION

Step 1 – Identify the regulator.

The Department of Managed Health Care (DMHC) regulates HMOs, as well as Anthem Blue Cross PPO and Blue Shield PPO. For a full list of health plans regulated by DMHC, see <http://wpso.dmhc.ca.gov/hpsearch/viewall.aspx>.

The California Department of Insurance (DOI) regulates most PPOs. For a list of insurers regulated by DOI, see <http://insurance.ca.gov/0100-consumers/hpcarriers.cfm>.

For information on filing a complaint against self-insured ERISA plans, see CMA On-Call #1022, “ERISA Plans.” For workers' compensation plans, see #1929, “Treating Physicians: Payment for Treatment.”

Step 2 – Prepare your complaint.

Gather documentation, including copies of your claims, EOBs, appeals, and any responses received from the payor.

Step 3 – File your complaint.

Complaints about DMHC regulated health plans must be filed through the agency's online portal, http://www.dmhc.ca.gov/providers/clm/clm_comp.aspx.

To submit a complaint about a DOI regulated insurer, download and complete a Health Care Provider Request for Assistance (HCPRA) for each affected claim. (<http://www.insurance.ca.gov/0100-consumers/upload/RFAHPRFA.pdf>)

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Step 4 – Notify CMA.

Members are encouraged to send CMA a copy of their complaint to help with our advocacy efforts. (CMA, Attn: Economic Services, 1201 J Street, Ste 200, Sacramento CA 95814 or fax 916/551-2027.)



TIP: Encourage your patients to also report unfair practices to the appropriate regulator.



CMA RESOURCES: CMA On-Call documents #1051, “Physician Complaints About Managed Care Plans,” and #1049, “Patient Complaints About Managed Care Plans,” #0122, “ERISA Plans,” and #1929, “Treating Physicians: Payment for Treatment.”

Need assistance filing a formal complaint? CMA’s reimbursement specialists can help. Call CMA’s reimbursement help line at 888/401-5911 or e-mail economicservices@cmanet.org.

CMA Advocacy Results in Revised Blue Shield Policy on Frequency of Consultations

The staff at Plastic Surgery Associates in Redding recently contacted CMA after receiving a notice from Blue Shield about a change to their payment policy on consultation codes. Specifically, Blue Shield announced it would reimburse for only one consultation code within a 12 month period when performed by the same physician or another physician of the same specialty within the same practice. CMA learned that Blue Shield’s edits only review the first 3 digits of the ICD-9 code. Thus, subsequent claims submitted within a 12 month period by the same practice with the same first three digits of the ICD-9 code would automatically be denied per the new policy, even if the claim was for subsequent consultative services on a separate or different part of the body.

For example, if a patient was referred for a consultation on a suspicious mole on her neck, the physician would bill a consultation code. But if the patient was referred back for another consultation for a suspicious mole on a different part of the body, the first 3 digits in the diagnosis code could be the same. For example, 173.4 is malignant neoplasm of the skin on the scalp and neck, 173.7 is lower limb, 173.0 is the lip, etc. Blue Shield’s system would inappropriately deny the second visit based on only the first three digits of the ICD-9 code.

To address this issue, Blue Shield has extended the edits to the first four digits of the ICD-9 code. The updated policy will be implemented in Blue Shield’s May release, scheduled for May 25, 2010.



TIP: Health plans and insurers are required to fully disclose complete fee schedules and payment rules to contracting physicians (28 C.C.R. §1300.71(o), Business & Professions Code §511.4, Insurance Code §10133.6.)



BEST PRACTICE: Obtain and review the payment policies for each contracted payor to ensure that your practice can administratively comply with each policy.



CMA RESOURCES: CMA On-Call document #1070, “Managed Care Contractual Protections.”

Is a contracted payor not reimbursing claims according to their own payment policies? Members are urged to contact CMA’s Center for Economic Services at 888/401-5911 or economicservices@cmanet.org.

Know Your Rights: Timely Payment

Delayed payments severely hinder physicians’ ability to keep their practices afloat. California law requires insurers and health plans to reimburse any uncontested portion of a clean claim no later than 30 working days (45 for HMOs) after receipt of the claim by the insurer or plan. (Health & Safety Code §§1371, 1371.35, Insurance Code §10123.13.) Interest and penalties must be applied to late payments.

Payor Type	Time Frame for Payment	Penalty
HMOs and their contracting medical groups/IPAs	45 working days	<ul style="list-style-type: none"> • Non-emergent – 15% of amount due per annum • Emergent – greater of \$15 or 15% per annum • \$10 surcharge per claim if plan fails to pay interest automatically
PPOs	30 working days	<ul style="list-style-type: none"> • Non-emergent – 10% of amount due per annum • Emergent – greater of \$15 or 10% per annum
ERISA	30 calendar days	<ul style="list-style-type: none"> • None
Medi-Cal	30 calendar days	<ul style="list-style-type: none"> • .25% of amount due per day
Medicare	30 calendar days	<ul style="list-style-type: none"> • 10.875% per annum (effective 4/23/2010)
Workers’ Comp	45 working days	<ul style="list-style-type: none"> • Payment is increased by 15% + 10% per annum



TIP: If a payor does not meet the timely payment requirements, or if the payor fails to automatically pay interest on late claims, access the payor’s Provider Dispute Resolution (PDR) process.



BEST PRACTICE: Physicians should review all payments received from all payors to ensure that claims are paid in a timely fashion, and that proper interest is paid on late claims. Failure to pay claims timely and failure to automatically pay interest on late claims should be reported to the appropriate regulator and to CMA.



CMA RESOURCE: For more information and sample letters, see CMA On-Call documents #0124, “Late Payment,” #0122, “ERISA Plans,” and #1929, “Treating Physicians: Payment for Treatment.”

Which Laws Apply?

Throughout this bulletin, CMA On-Call documents, and other CMA resources, you will see various laws referenced. Knox-Keene plans include licensed HMOs and their contracting medical groups/IPAs, Anthem Blue Cross of California PPO and Blue Shield of California PPO. These plans are governed by the Health & Safety Code and are regulated by the Department of Managed Health Care. PPOs and other insurers, including Blue Cross and Blue Shield life and health PPOs, are governed by the Insurance Code and are regulated by the Department of Insurance. Self-funded ERISA plans and Medicare are governed by federal law and workers' compensation plans must adhere to the Labor Code.

CMA Publishes Consultation Code Billing Guides

As you are aware, Medicare is no longer recognizing inpatient and outpatient consultation codes. Effective January 1, 2010, physicians must instead bill using E&M codes from the Office and Other Outpatient Services, Initial Hospital Care, and Initial Nursing Facility sections of the 2010 CPT.

CMA has published a Medicare consultation code billing guide to provide some clarity on this understandably confusing and complex issue. CMA has also published a Managed Care Consultation Code Quick Reference Guide, which details which major payors in California will be changing their own payment policies as a result of this change.



CMA RESOURCE: CMA's consultation code billing guides are available to members-only at www.cmanet.org/ces. If you have any additional questions about these new rules, call CMA's reimbursement help line, 888/401-5911 or e-mail economicservices@cmanet.org.

CMA Advocacy at Work

"We wanted to take this time to express our gratitude to CMA and their staff on all the help and hand holding that was readily available to us through our stressful times. Because of CMA we were able to clear up our A/R's from an HMO product line that refused to pay our doctors for the services rendered to our patients. CMA staff stuck by us through mounds of paperwork to get us paid for what was rightfully owed to our doctors. Thank you so much. It is such a relief knowing that CMA and their wonderful staff are available to assist us through any questions and concerns."

— Jane Kim, Office Manager for CMA Members
Drs. David A. Thompson and Lance J. Lee

Medicare Payment Cuts Stopped – For Now

On April 16, the President signed H.R. 4851, the Continuing Extension Act of 2010, retroactively reversing the 21.3 percent Medicare physician payment cut that took effect on April 1 and extending 2009 payment rates through the end of May. The Centers for Medicare and Medicaid Services (CMS) had instructed contractors to hold physician claims for 10 business

Ask the Expert: Interest Calculations

QUESTION: If a payor does not pay my claim within the statutory timeframe, how do I calculate interest due?

ANSWER: Interest is calculated beginning with the first calendar day after the 30 or 45 working day period has elapsed.

Example: Contracted rate is \$325.84.

1. Determine the interest rate. In this example it is a PPO claim, so interest is 10 percent per year.
2. Determine amount not paid – in this example it is \$325.84
3. Multiply amount not paid by the interest percent per annum: $\$325.84 \times .10 = \$32.58/\text{year}$.
4. Divide interest due in a year by 365 days to get the daily interest due: $\$32.58/365 \text{ days} = \$.089/\text{day}$.
5. Determine the number of days the payment is late. Remember, the clock starts ticking from the 31st (or 46th) working day from the day the payor received a clean claim.
6. Multiply the daily interest due by the number of days the payment is late to get the interest due - $\$.089 \times 237 \text{ days} = \21.09 .

Remember – if the issue is with a Knox-Keene plan that fails to automatically include interest due on a claim, they must pay a \$10.00 per claim penalty in addition to the interest due.

Ask the Expert: Payor Solvency

QUESTION: One of my contracted payors has stopped paying claims. I am concerned that the payor may be experiencing financial difficulty. What should I do?

ANSWER: One of the symptoms that a health plan, IPA or other payor is having financial difficulties is a failure to pay claims in a timely manner. Another indication of financial distress is a payor that cuts checks within the statutory timeframes but does not release the checks in a timely manner. If you are experiencing repeated payment delays you should investigate the financial health of the payor.



CMA RESOURCE: To help CMA members monitor the financial health of their contracted payors, CMA has put together a Payor Solvency Checklist, which includes helpful information as well as options available to the practice.

days to minimize administrative complications and cash flow disruptions and allow Congress time to retroactively stop the cut before physician payments were affected. California's Medicare

contractor, Palmetto, informed CMA that it did not pay any claims under the reduced fee schedule and that claims are being released for April dates of service. Claims will be processed one to two days at a time, starting with the oldest claims, until all claims that exceed the 14-day payment floor hold are released.

Problems Getting Paid?

CMA's Center for Economic Services (CES) provides direct reimbursement assistance to CMA physician members and their office staff.

- **REIMBURSEMENT HELP LINE 888/401-5911**
 - One-on-one educational and reimbursement assistance to physician members and their staff
- **PRACTICE EMPOWERMENT**
 - Tools and resources to empower physician practices
 - Seminars and toolkits for physicians and their staff
- **EXPERIENCED STAFF**
 - Staffed by practice management experts with a combined experience of over 125 years in medical practice operations

To access our reimbursement advocates, your physician must be a CMA member. For membership information, contact CMA Member Services at 800/786-4CMA (4262) or memberservice@cmanet.org.

Make CMA Membership Work: Become a Certified Medical Office Manager

Are you an experienced medical office manager who wants to take his or her skills to the next level? Become a certified medical office manager and learn to initiate policies and protocols that will improve, protect, and stabilize the financial security of the practice. CMA members receive a discount off the registration fee. Space is limited, so sign up today!

WHEN: Four Thursdays – June 3, 10, 17 and 24
(9am – 4pm each day)

WHERE: Ventura County Medical Association
601 E. Daily Dr # 129, Camarillo CA 93010

For more information or to register, visit www.cmanet.org/calendar.

Help Us Help You!

CMA's Center for Economic Services wants to be your practice's one stop shop for assistance with reimbursement issues. Let us know which payors you are having difficulty with by completing a brief survey online at www.surveymonkey.com/s/cpr_survey.

Save the Date:

Upcoming CMA Events

CMA offers our members free webinars to educate physicians and staff on a range of practice management issues. Space is limited, so register soon. Upcoming events:

*May 12: Medicare Preventive Services (WEBINAR)

12:15 PM - 1:15 PM

Are you and your patients getting the most out of Medicare Part B benefits? Did you know that Medicare Part B covers 16 preventive services? Learn what they are and how to bill correctly for them in this informative webinar.

*May 26: E&M Coding and Documentation (MEMBERS ONLY WEBINAR)

12:15 PM - 1:15 PM

In this members-only webinar, Dr. Arthur Lurvey, Medical Director for PalmettoGBA, offers an in-depth training for documenting and coding out-patient and inpatient E&M services.

June 9: The Art of Training, Evaluating and Retaining Qualified Personnel for Today's Medical Practice (MEMBERS ONLY WEBINAR)

12:15 PM - 1:15 PM

In this members-only webinar, learn how to evaluate and retain qualified personnel for your medical practice.

*Events marked with an asterisk are PMI CEU Credit Approved.

For more information, or to register for any of these events, visit www.cmanet.org/calendar.

Network with CAMGMA

The California Chapter of the Medical Group Management Association (CAMGMA) offers practice administrators and office managers with a broad range of practice leadership, professional development, educational opportunities and networking activities.

May 12: Medicare Update

12:00 - 1:30 pm, San Diego County Medical Society

May 12: Health Care Reform Roundtable

11:30 am - 1:30 pm, Sierra Sacramento Medical Society

May 12: Recovery Audit Contractors

12:00 - 1:30 pm, Orange County Medical Association

May 20: Revenue Cycle – Best Practices

12:00 - 1:30 pm, Burbank

For more information or to register for a CAMGMA event, visit www.camgma.com/calendar.cfm.