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TALKING POINTS AND FAQs
TECHNICAL COMPONENT CONTRACT AMENDMENT

- BlueCross is amending its contracts to clarify its payment policy for pathology technical component claims for Commercial members. The amendment is being mailed to all physicians and physician groups.
- This contract amendment follows several BlueAlerts and updates to BlueCross' Provider Administration Manual to clarify this payment policy.
- The amendment will take effect 30 days after delivery, so September 25, 2018. The clarification for the payment policy will apply to pathology technical component claims for services furnished on and after January 1, 2019.

Summary of BlueCross' Payment Policy

- BlueCross pays facilities an all-inclusive payment rate for inpatient and outpatient services furnished to BlueCross members.
  - As described in facilities' payment schedules, all facility services and supplies are included in the payment (unless a specific exception is set forth in the contract). This includes the technical component for professional services provided while a member is in a facility. This contract amendment clarifies this payment policy in provider agreements.
  - This policy also applies regardless of where the technical component is actually performed and regardless of the relationship between the facility and the professional performing the technical component.
  - BlueCross' provider administration manuals (PAMs) contain guidance about billing for professional and technical components for radiology, laboratory and other diagnostic procedures.
- BlueCross issued two BlueAlerts in 2017, which restated and clarified this payment policy, and a third alert to amend the policy with regard to free-standing ambulatory surgery centers:
  - The first BlueAlert was issued on August 1, 2017, and was entitled "Clarification: Technical Component for Professional Services Performed in a Facility." It restated BlueCross' policy to pay for the technical component for anatomic pathology services furnished to members in the facility through the facilities all-inclusive payment.
  - The second BlueAlert was issued on September, 1 2017, and confirmed that the payment policy applies to BlueCare Tennessee as well as Commercial lines of business. The article further confirmed the payment policy does not apply to Medicare Advantage claims (which are adjudicated in accordance with CMS billing guidelines). The BlueAlert was entitled "Update: Technical Component for Professional Services Performed in a Facility."
  - These BlueAlerts were not policy changes. Rather, these articles clarified BlueCross' current payment policy and were issued to address confusion raised by certain providers.

  - A third alert was issued on December 1, 2017 to announce an amendment to BlueCross' policy and to allow free-standing ambulatory surgery centers to bill for technical component services. This BlueAlert article was entitled "UPDATE: Technical Component for Professional Services Performed in Free-Standing Ambulatory Surgery Center."

- BlueCross temporarily suspended this payment policy for the Commercial line of business only for claims with dates of service of January 1, 2018 through December 31, 2018 to allow for providers who had not already done so to contract with institutions for payment of technical component claims. **BlueCross will enforce its payment policy, as set forth in its contracts and PAMs, for claims with dates of service on and after January 1, 2019.**

Potential Questions from Providers

Question 1: Which providers received this contract amendment?

Answer 1: All physicians and physician groups that contract with BlueCross to participate in commercial networks (i.e., P, S, M, and E).

Question 2: What lines of business are affected?

Answer 2: This contract amendment applies to Commercial DRG and outpatient case rates. (BlueCare Tennessee members and members enrolled in Medicare Advantage plans have not been affected by any of BlueCross' activity on pathology claims.)

Question 3: Why did BlueCross make this change?

Answer 3: This contract amendment (and related BlueAlerts) only addresses payments made to facilities other than free-standing ambulatory surgery centers. Free-standing ambulatory surgery centers may be paid for technical component services. For all other providers, this contract amendment clarifies BlueCross' existing payment policy given confusion by some providers.

Question 4: Is BlueCross' payment policy permitted under coding guidelines?

Answer 4: Yes. BlueCross' payment policy is supported by nationally recognized coding entities which include National Correct Coding Initiative (NCCI), American Medical Association (AMA) and the Centers for Medicare & Medicaid Services (CMS). Original Medicare implemented a similar payment policy for these services in 2012, as have other payors.

Question 5: Why did BlueCross suspend its policy?

Answer 5: BlueCross has maintained this payment policy – paying for the technical component of anatomic pathology services furnished to members in a facility setting through the facility's all-inclusive payment – for several years. Several physicians have expressed confusion about the entity from whom the physicians should seek payment, noting that their contracts with facilities may not address the facilities' obligations to pay the physicians. BlueCross suspended its payment policy for 2018 in part to create an opportunity for physicians and facilities to ensure their contractual arrangements reflect the facilities' obligation to pay the physicians for these services.

Question 6: How will providers who perform technical component services be paid?

Answer 6: Providers of anatomic pathology services not in a free-standing ambulatory surgery center should coordinate with facilities regarding the provision of – and payment for – the technical component services to members in a facility setting to the extent the providers have not already done so.

Question 7: When is this contract amendment effective?

Answer 7: The contract amendment is effective thirty days after delivery, so September 25, 2018. BlueCross' provider agreements allow BlueCross to amend the contract by issuing an amendment. A provider can accept the amendment or do nothing, in which case the amendment is deemed effective on September 25, 2018.

Question 8: What happens if I reject the contract amendment?

Answer 8: Your contract provides you with the right to reject this contract amendment. To do so, you must notify BlueCross in writing within thirty (30) calendar days of receiving the amendment. If you do reject the amendment, the amendment will not take effect but BlueCross has the right to terminate its contract with you.

Question 9: Does this policy affect BlueCare Tennessee members and claims?

Answer 9: No, BlueCare Tennessee members and claims are not affected. Specifically, BlueCross' temporary suspension of its payment policy did not apply to BlueCare Tennessee claims, so BlueCross has continued to apply its payment policy of denying third-party technical component claims of anatomic pathology services for BlueCare Tennessee members unless those services are provided in a free-standing ambulatory surgery center.

Question 10: Does this amendment affect my payment rates for Commercial claims?

Answer 10: No, the amendment does not change or otherwise address payment rates. Rather, the amendment incorporates into the contract BlueCross' payment policy that BlueCross does not pay Commercial claims for the technical component of anatomic pathology services unless those services are provided in a free-standing ambulatory surgery center. The policy will be effective on January 1, 2019, the same date BlueCross will lift the suspension on its payment policy.