November 2008

BlueCross BlueShield of Tennessee, Inc. (BCBST)
(Appplies to all lines of business unless stated otherwise)

CLINICAL

Medical policy update/changes

Full text of the following BCBST medical policy changes can be viewed online under “Upcoming Medical Policies” at http://www.bcbst.com/providers/mpm.shtml.

Effective Dec. 13, 2008

- Abatacept
- Dalteparin Sodium
- Rilonacept
- Certolizumab Pegol
- Daily Hemodialysis in the Home
- Home Spirometry

Note: Effective dates also apply to BlueCare and TennCare Select pending state approval.

Modified Milliman Care Guideline updates/changes

BlueCross BlueShield of Tennessee’s Web site has been updated to reflect upcoming modifications to select Milliman Care Guidelines®. The Modified Milliman Care Guidelines can be viewed on the Utilization Management Web page at <http://www.bcbst.com/providers/UM_Guidelines/Upcoming_Changes/Upcoming_Changes.htm>.

Effective Dec. 5, 2008

The following as relates to Inpatient and Surgical Care:

- Pediatric Adenotonsillectomy for Obstructive Sleep Apnea Syndrome (OSAS): Observation Care

Note: Effective dates also apply to BlueCare and TennCare Select pending state approval.

Cultural competence and health care disparities

An article published in the March 26, 2008, edition of the Journal of the American Medical Association states that despite decades of effort in the United States, significant health care disparities continue to exist. Drawing from research conducted by the Agency for Healthcare Research and Quality, the article points out that compared to Caucasians, African Americans have significantly more new AIDS cases and pediatric asthma hospitalizations, while Native Americans are less likely to receive prenatal care and Asian women have significantly lower mammography rates. Addressing such disparities is particularly important as the country becomes more culturally diverse.

One of the first steps is learning how to communicate in a culturally sensitive way with patients from different backgrounds. BlueCross BlueShield of Tennessee is currently exploring ways to assist health care providers in this endeavor. Over the coming months we will provide updates on this effort as well as links to helpful information on this topic.

Reminder: Synagis® effective in reducing hospitalizations

Respiratory Syncytial Virus (RSV) season is approaching. Synagis® (palivizumab) has been shown to be effective in reducing hospitalizations for children at high risk for RSV infection. BlueCross BlueShield of Tennessee recognizes the beginning of Synagis® season on November 1 and its duration through the end of March.

Our medical policy on Synagis® can be viewed online at <http://www.bcbst.com/mpmanual/!SSL!/WebHelp/Palivizumab.htm>.

A downloadable Synagis® enrollment form is also available on the Provider page on the company Web site, www.bcbst.com under “Pharmacy”.

For commercial members, Synagis® should be billed directly to BlueCross BlueShield of Tennessee using CPT® code 90378. Synagis® requires prior authorization for both medical and pharmacy benefits. To request prior authorization, call the appropriate Provider Service line or contact one of the following Preferred Specialty Pharmacy vendors listed below:

- Caremark Specialty Pharmacy
  Phone: 1-800-237-2767
  Fax: 1-800-323-2445

- CuraScript Pharmacy
  Phone: 1-888-773-7376
  Fax: 1-888-773-7386

- Accredo Health Care
  Phone: 1-888-239-0725
  Fax: 1-866-387-1003

BCBST initiative for improving diabetic screening scores

The initiative designed to improve diabetic screening scores is planned for last quarter 2008.

BlueCross BlueShield of Tennessee will implement an Interactive Voice Response outreach initiative promoting diabetic screenings for fully insured and City of Knoxville, TN members having diabetes and meeting at least one of the following elements:

- Non adherent to medications:
  - Diabetes with nephropathy: ACE-I or ARB.
- Missing at least one of the following tests:
  - Diabetes-Eye exam (retinal) testing;
  - Hemoglobin A1C testing;
  - Microalbuminurea;
  - LDL-cholesterol screening performed.

This initiative does not apply to BlueCare or TennCare Select. If you have questions, please call our Provider Service line†.
BlueCross BlueShield of Tennessee, Inc. (BCBST) (Applies to all lines of business unless stated otherwise)

CLINICAL (cont’d)

BCBST focuses on improved quality care and service

The BlueCross BlueShield of Tennessee Quality Improvement Program (QIP) focuses on improving the quality and safety of clinical care and service received by its commercial and TennCare members. As part of the QIP, BlueCross BlueShield of Tennessee conducts member education and other activities to improve rates on clinical initiatives.

These initiatives have shown some positive results. For example, a BlueCare member notified us that after receiving several reminder letters, she finally scheduled her mammogram. The results revealed the early stages of breast cancer which can now be treated. She explained that without the reminders, she would never have scheduled an exam.

However, despite such efforts by BlueCross BlueShield of Tennessee and our network providers to increase screenings, several rates continue to be below the national benchmark. The following HEDIS® 2007 results show that more emphasis is needed to increase rates for the following measures:

<table>
<thead>
<tr>
<th>Product</th>
<th>Retinal Eye Exam</th>
<th>Mammogram</th>
<th>Pap Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlueCare</td>
<td>39.17%</td>
<td>48.71%</td>
<td>69.21%</td>
</tr>
<tr>
<td>TennCare Select</td>
<td>34.31%</td>
<td>30.03%</td>
<td>49.14%</td>
</tr>
<tr>
<td>Commercial</td>
<td>36.50%</td>
<td>67.52%</td>
<td>76.14%</td>
</tr>
</tbody>
</table>

The Quality Improvement and Outreach Departments at BlueCross BlueShield of Tennessee are planning new initiatives to specifically promote these screenings. Health care providers, due to their direct patient contact, also play an essential role in actively encouraging patients to undergo appropriate screenings.

The Preventive Services section on the Provider page on the company Web site, www.bcbst.com, offers links and resources to assist providers in performing and promoting preventive care. For additional information on the BlueCross BlueShield of Tennessee Quality Improvement Program, please call 423-535-6221.

ADMINISTRATIVE

Billing guideline clarification for CPT® code 92250

CPT® code 92250, Fundus Photography, is not typically considered a routine vision benefit. BlueCross BlueShield of Tennessee has determined that benefits are available for CPT® code 92250 when reported on a CMS-1500 claim form and linked in Block 24E, to one or more of the following diagnosis codes:

<table>
<thead>
<tr>
<th>CPT® Code</th>
<th>Diagnosis Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>115.92</td>
<td>362.76-363.15</td>
</tr>
<tr>
<td>130.2</td>
<td>363.20</td>
</tr>
<tr>
<td>190.5-190.6</td>
<td>363.30-363.33</td>
</tr>
<tr>
<td>190.9</td>
<td>363.40</td>
</tr>
<tr>
<td>224.5-224.6</td>
<td>363.43-363.61</td>
</tr>
<tr>
<td>225.1</td>
<td>363.63</td>
</tr>
<tr>
<td>249.00-250.93</td>
<td>363.70-363.9</td>
</tr>
<tr>
<td>360.00-360.33</td>
<td>364.24</td>
</tr>
<tr>
<td>360.44-360.50</td>
<td>365.00-365.89</td>
</tr>
<tr>
<td>360.54-360.55</td>
<td>377.00-377.16</td>
</tr>
<tr>
<td>360.60</td>
<td>377.21-377.49</td>
</tr>
<tr>
<td>360.64-360.69</td>
<td>379.00</td>
</tr>
<tr>
<td>361.00-361.81</td>
<td>379.07-379.09</td>
</tr>
<tr>
<td>362.01-362.37</td>
<td>379.14-379.39</td>
</tr>
<tr>
<td>362.41-362.57</td>
<td>379.12</td>
</tr>
<tr>
<td>362.74</td>
<td>743.20-743.22</td>
</tr>
</tbody>
</table>

Reminder: Real Time Claims Estimation/Adjudication available to outpatient facilities

Outpatient facilities are able to generate estimates and submit claims through BlueAccess. Log on to BlueCross BlueShield of Tennessee’s secure area on its Web site, www.bcbst.com and try the Real Time application, today!

Reminder: Submitting paper CMS-1500 claims forms

To help expedite claims submitted on paper CMS-1500 claim forms, providers are reminded to:

1. type all alpha characters in upper case (capital letters);
2. align all print in appropriate blocks; and
3. keep within the boundaries of the form field; and
4. use the same font size throughout the claim form. Our scanning equipment will not recognize use of both typed and handwritten information on the same line item.

Enhanced provider service line

BlueCross BlueShield of Tennessee recently enhanced its toll-free Provider Service line, 1-800-924-7141, bringing more consistency to the available menu options offered on the “touch tone” and “voice response” features.

If you experience any problems when calling this number, please advise the Customer Service Representative.

When use of taxonomy code is appropriate

BCBST does not require electronic or paper claims be submitted with the provider’s taxonomy code. However, to help ensure multi-specialty provider claims, such as transportation, durable medical equipment, home infusion, or pharmacy provider claims are processed correctly, a taxonomy code must be reported along with the NPI and tax ID at the applicable billing and/or rendering level.

November 2008
BlueCare/TennCareSelect
Clinical
Is it strep or just pharyngitis?

Measures have indicated the BlueCare and TennCareSelect population of children between ages 2 and 18 years are being prescribed antibiotics for pharyngitis without the confirmation of a positive strep test.

Providers are encouraged to perform these quick and easy strep tests to confirm the actual need for prescription. Strep tests detect approximately 80 to 90 percent of all strep throat cases each year.

BlueCare/TennCareSelect
ADMINISTRATIVE
Correction: Arranging non-emergency transportation services with Southeastrans, Inc.

In the October issue of BlueAlert, we published an incorrect telephone number for use in arranging non-emergency transportation services. The correct numbers are:

For BlueCare:
East Grand Region 1-866-473-7563
West Grand Region 1-866-473-7564

For TennCareSelect:
Statewide 1-866-473-7565

We apologize for any inconvenience this may have caused.

Changes to hospice billing guidelines*

Effective Dec. 1, 2008, providers should begin filing BlueCare and TennCareSelect claims for Inpatient Room and Board for nursing home residents using Revenue Code 0658 instead of Revenue Code 0654. In addition to this change, claims will no longer be accepted with both inpatient and outpatient charges on the same claim.

Claims filed on or after the effective date with Revenue Code 0654 and claims filed with both outpatient and inpatient charges on the same claim form will be rejected.

Hospice and patient liability billing changes*

Some TennCare enrollees receiving TennCare-reimbursed Nursing Facility care may elect to receive hospice benefits. Providers should file CMS-1450 claims with a value code of 23 (recurring monthly income), 24 (Medicaid rate code), 31 (patient liability amount) or C3 (estimated responsibility payer c) in Form Locators 39-41 along with the patient liability amount.

We encourage you to review the billing guidelines available in the VSHP Provider Administration Manual located on the Provider page of our company Web sites, www.vshptn.com and www.bcbst.com or on the BlueSource Provider Information CD.

If you have questions, please call the appropriate BlueCare or TennCareSelect Provider Service number.

BlueCare provider administration manual getting new name

Because the BlueCare and TennCareSelect products are administered by Volunteer State Health Plan, Inc. (VSHP), it only seems appropriate the provider administration manual should reflect the VSHP name.

You can be assured only the name is changing. The manual is updated on a quarterly basis and will continue to advise providers of any changes to policies, benefits, medical management and claims processing guidelines as they relate to the BlueCare and TennCareSelect programs.

The Volunteer State Health Plan Provider Administration Manual can be viewed on our Web sites, www.vshptn.com and www.bcbst.com or on BlueSource, BlueCross BlueShield of Tennessee’s quarterly information CD.

Reminder: Billing process for Medicare/Medicaid dual eligible members

Claims filed electronically for Medicare/Medicaid dual eligible members (Eligibility Class 17) should be filed to Medicare for primary payment. Medicare should crossover to the State of Tennessee for Medicare coinsurance amounts.

Paper claims filed for Medicare/Medicaid dual eligible members (Eligibility Class 17) should be filed with Medicare for primary payment. After Medicare pays, providers should file the paper claims along with the Medicare Summary Notice to the State of Tennessee for reimbursement of Medicare coinsurance amounts. Mail paper claims for secondary payment to:

Tennessee Bureau of Medicaid
P.O. Box 460
Nashville, TN 37202-0460

Uninsured/Uninsurable members (Eligibility Class 77 with Medicare) should be billed directly for any deductible/coinsurance amounts due after Medicare pays primary. BlueCare will not pay these amounts; however, the member is liable for their Medicare deductible/coinsurance.

Claims filed for non-Medicare members after Medicare has paid primary will show patient liability as zero (0) on the BlueCare/TennCareSelect Remittance Advice. However, the member may be billed for any Medicare deductible/coinsurance amounts. Medicare/Medicaid dual eligible members should not be billed for any Medicare deductible/coinsurance amounts, as these should crossover to the Tennessee Bureau of Medicaid for secondary payment.

Eligibility classification may be determined by the last two digits of the group number or by reviewing the classification listing in the VSHP Provider Administration Manual available on the Provider page on our Web sites, www.vshptn.com and www.bcbst.com, or on BlueSource, BlueCross BlueShield of Tennessee’s quarterly information CD.
BlueCare/TennCareSelect

Reminder: Prior authorization required for select radiology procedures

As communicated to you earlier, please remember that beginning Nov. 1, 2008, for members in the West Grand Region and Jan. 1, 2009, for members in the East Grand Region, Volunteer State Health Plan will require prior authorization for select high tech imaging procedures performed in an outpatient setting (emergency room services and inpatient services will not require prior authorization). At this time, TennCareSelect members and individuals who qualify as dually eligible for Medicare and Medicaid will be exempt from the prior authorization requirement.

Procedures requiring prior authorization include, but are not limited to: CT, CTA, MRI, MRA, MR Spectroscopy, PET Scans and Nuclear Cardiology.

To contact MedSolutions to request a prior authorization, you can phone them at 1-888-693-3211 or fax them at 1-888-693-3210. You can also submit your prior authorization request online at www.medsolutionsonline.com.

Additional information is available on our company Web sites, www.bcbst.com and www.vshptn.com.

Clarification of HomeHealth/Private Duty Nursing benefits

Private duty nursing is a covered benefit for those members who are either:

a. Under age 21
b. Ventilator dependant at least 12 hours per day
c. Have a functioning tracheostomy (additional criteria required)

These services should be billed using Revenue Code 0589 and T1000 HCPCS code per 15 minute increments. Intermittent skilled nursing visits requiring up to one hour of time should be billed using Revenue Code 0552 and either S9123 or S9124 HCPCS codes in one hour increments, regardless of the age of the member. Extended skilled nursing visits requiring greater than an hour of time should be billed using Revenue Code 0552 and either S9123 or S9124 HCPCS codes in one hour increments, regardless of the age of the member.

BlueAdvantage (BlueCross BlueShield of Tennessee’s Medicare Advantage Product)

Reminder: Risk Adjustment Data Validation

Annually, the Centers for Medicare and Medicaid Services (CMS) randomly select Medicare Advantage (MA) Organizations for risk adjustment data validation. Data validation audits occur after risk adjustment data has been collected and submitted, and payments are made to the organizations. CMS utilizes medical records to validate the accuracy of risk adjustment diagnoses submitted by MA organizations. The medical record review process includes confirming that appropriate diagnosis codes and level of specificity were used, verifying the date of service is within the data collection period, and ensuring the provider’s signature and credentials are present. If CMS identifies discrepancies and/or confirms there is not adequate documentation to support a reported diagnosis in the medical record during the data validation process, financial adjustments could potentially be imposed on both the organization and the provider submitting the claim.

At the recommendation of CMS, BlueCross BlueShield of Tennessee has developed its own independent Risk Adjustment Data Validation process by which medical records are requested and reviewed by the Provider Audit department. This process includes validation of diagnoses and procedure codes through the identification of supporting documentation in the medical record.

All requested records for data validation purposes should be provided promptly. Effective July 1, 2008, BCBST began recouping any claim payment from the provider associated with records not substantiated by the medical record.

Referring members to BCBST participating providers*

It is always important to remember to refer your patients to other BlueCross BlueShield of Tennessee contracted providers, which includes sending patients for lab work. BCBST contracts with laboratories just as we do with physicians and hospitals.

If you are not sure of other participating providers in your area, please refer to the BCBST Referral Directory of Network Providers on the company Web site, www.bcbst.com or call our Provider Service line† for assistance. Establishing a pattern of always referring to other participating providers will greatly reduce any unnecessary costs to the patient, as well as maintain compliance with your BCBST Provider Agreement.

*Provider Service lines

Featuring “Touchtone” or “Voice Activated” Responses

Commercial Lines; CoverTN; CoverKids;
AccessTN 1-800-924-7141
(Monday – Friday, 8 a.m. to 5:15 p.m. ET)

Note: If you have moved, acquired an additional location, or made other changes to your practice, choose the “touchtone” option or just say “Network Contracting” when prompted, to easily update your information.

BlueCare 1-800-468-9736
(TennCareSelect 1-800-276-1978
(Monday – Friday, 8 a.m. to 5:15 p.m. ET)

BlueCard
Benefits & Eligibility 1-800-676-2583
All other inquiries 1-800-705-0391
(Monday – Friday, 8 a.m. to 5:15 p.m. ET)

BlueAdvantage 1-800-841-7434
(Monday – Friday, 8 a.m. to 5 p.m. ET).

November 2008