

# **Medical and Reimbursement Policies**

## **Medical Policy**

Regence Medical Policy provides guidelines for coverage determinations for specific procedures, equipment and services. Benefit determinations are based on applicable member contract language. Plan language will be followed if there are any conflicts between these guidelines and the Plan. You may access the complete Regence Medical Policy on our Web site at <http://blue.regence.com/trgmedpol/index.html>. Changes to the Medical Policy are posted online by the tenth of each month and are also published in our quarterly provider newsletter.

Medical policy development includes analysis of current scientific literature and completion of technology assessments. In addition, expert scientific opinion is obtained from physicians providing the technology, recognized experts in the field, and internal and external medical advisors. The analysis of scientific evidence and expert opinion is summarized and presented along with the proposed medical policy to the Regence Medical Policy Workgroup for approval.

### **Medical Policy Review Request**

Any disagreements with a medical policy determination made by the Medical Policy Workgroup can be submitted to the committee via the link available on the Medical Policy Web site at <http://blue.regence.com/trgmedpol/index.html>. The submission should include additional references or literature that may not have been reviewed in the initial policy determination. For specific claim billing disputes and our appeals process please follow the process outlined in the Appeals section.

*Note:* Regence Medical Policies do not apply to Medicare and Regence MedAdvantage members. Please refer to the Medicare Advantage Plans section for information on accessing Medicare Medical Policies.

### **Medical Policy Development**

We have developed the following process used by all affiliate Regence Plans for determining coverage for specific medical procedures, services or devices. Medical policies may include procedures, services or devices and may focus on diagnosis, treatment or rehabilitation.

## **A. Selecting Technologies**

Issues are identified through referrals from the physician and provider community, our members and Regence staff. Priority for policy development may be given to the following:

- New diagnostic tests, therapeutic procedures or medical devices for which other good alternatives do not exist
- Technologies that are considered life-saving
- Medical technologies that are controversial with respect to their clinical utility
- Medical technologies that have generated a high level of interest for members and/or providers
- New information available in the peer-reviewed scientific literature that may change the status of a technology from investigational to medically necessary

## **B. Research Sources**

The following sources are considered in the development and revision of Regence Medical Policy:

- Current published medical literature from peer-reviewed publications
- Evidence-based guidelines developed by national organizations and recognized authorities
- Policies and technology assessments published by the BlueCross and BlueShield Association and the BlueCross and BlueShield Association Technology Evaluation Center (TEC)
- Generally accepted standards of medical practice
- External practicing physician review
- Government approval status

## **C. Technology Assessment**

In order to determine whether a medical technology may be considered medically necessary, literature searches are conducted and the published scientific evidence is reviewed against five technology assessment criteria. All five criteria must be met for a technology to be considered medically necessary:

1. The technology must have final approval from the appropriate government regulatory bodies. This criterion applies to medications, biological products, devices and diagnostics. Any approval that is granted as an interim step (i.e., Treatment/Investigational New Medication) in the U.S. Food and Drug Administration (FDA) regulatory process is not sufficient.
2. The scientific evidence must permit conclusions concerning the effect of the technology on health outcomes. The evidence should consist of well-designed and well-conducted investigations published in peer-reviewed journals. The quality of the body of studies and the consistency of the results are considered in evaluating the evidence. Scientific evidence and expert opinion provide the basis for summarizing the potential net health outcome.

3. The technology's beneficial effects on health outcomes should outweigh any harmful effects on health outcomes.
4. The technology must be as beneficial as any established alternatives. The technology should improve the net health outcome as much as or more than established alternatives.
5. The improvement must be attainable outside investigational settings. When used under the usual conditions of medical practice, the technology should be reasonably expected to satisfy the criteria listed in #3 and #4.

For new diagnostic technologies (e.g., imaging studies, laboratory procedures, home monitoring devices), three additional criteria must be met:

1. Technical feasibility is demonstrated, including reproducibility and precision. For comparison among studies, a common standardized protocol for the new diagnostic technology is established.
2. For accurate interpretation of study results, sensitivities, specificities, and positive and negative predictive values compared to standards are established.
3. The clinical utility of a diagnostic technique (i.e., how the results of the study can be used to benefit patient management) is established. The clinical utility of both positive and negative tests must be established.

#### **D. Approval process**

A summary of the analysis of the scientific evidence and expert opinion and the proposed medical policy is presented for approval to the Regence Medical Policy Workgroup and the Regence Policy Leadership Team.

#### **E. Dissemination**

Policy is communicated through provider newsletters, letters to external advisory committee members and physicians in our community with a special interest, and through the pre-authorization and claims process.

The policy is updated in Regence's *Medical Policy Manual* that can be accessed online in the Provider Library section of the *Provider Web Site* or by going directly to the manual at <http://blue.regence.com/trgmedpol/index.html>.

#### **F. Updating Medical Policies**

Medical policies are re-evaluated and updated on a routine basis.

## External Medical Advisors

Participating physicians and other health care professionals from each specialty area serve as External Medical Advisors to Regence's Medical Policy Workgroup. External Medical Advisors receive medical policy drafts for review and provide their input electronically. Providers interested in providing feedback on policies in their draft form can complete an online request form at <https://www.regence.com/trg/contact>.

As a Regence provider, you may review existing medical policies and provide your feedback from our Web Medical Policy Manual site by clicking on the link "Contact Medical Policy Staff", or by contacting your provider consultant either by phone or in writing. If you have questions about an existing policy, contact your provider consultant to find out what information was considered in establishing the policy.

## Reimbursement Policy

The purpose of Regence Reimbursement Policy is to document payment policy and correct coding for medical and surgical services and supplies. Reimbursement Policy is not intended to dictate medical practice. To the extent that there are any conflicts between Reimbursement Policy and the member or provider agreement language, the member or provider agreement language will be followed.

### Reimbursement Policy Review Request

Any disagreements with a reimbursement policy determination made by Regence can be submitted by contacting your provider consultant in writing. The submission should include additional references or literature that may not have been reviewed in the initial policy determination. For specific claim billing disputes and our appeals process please follow the process outlined in the Appeals section.

### Updating Reimbursement Policy

Regence Reimbursement Policy is re-evaluated and updated on a routine basis.

### Reimbursement Policy Dissemination

Regence Reimbursement Policy is communicated through provider newsletters or letters and is published online in the *Reimbursement Policy Manual* found in the Provider Library section of our *Provider Web Site* at <http://www.wa.regence.com/provider/library/policies/reimbursementPolicy/disclaimer.html>

## **Correct Code Editor (CCE)**

Regence utilizes Medicare's National Correct Coding Initiative (NCCI) as the basis for correct coding. Regence has also created our Correct Code Editor (CCE) that identifies code pair edits to supplement the Centers for Medicare & Medicaid Services (CMS) NCCI edits. These code pair edits are compiled using CMS' NCCI written rules, CPT language and other recognized sources. The code pair edits are followed for all lines of business.

Our CCE is updated quarterly (January, April, July and October). Updates are clearly labeled with the corresponding version of CMS' NCCI and can be found on our *Provider Web Site* in the Claims & Billing section, under Coding Toolkit click on the Correct Code Editor link.

## **Medical and Reimbursement Policy in our provider newsletter**

Newly established or revised medical, reimbursement and administrative policies and information on quality improvement activities may be communicated in our newsletters, *The Connection<sup>SM</sup>* and *The Connection Online<sup>SM</sup>* or by letter. It is important that physicians, other health care professionals, facilities and their staff review each issue to keep abreast of these policies.