



PROVISIONS

Access to care and information – the simpler the better

A message from Mary O. McWilliams

Information about health care is most important when it is most needed – when a patient receives a new diagnosis, when a child falls and breaks an arm, when an adult develops brand-new allergies. In these situations, our members are suddenly faced with such questions as: Who can I see? What do I do next? What is covered? How do I get what I need – and get it quickly?

But health coverage is not something that most consumers think about until they need care. For that reason, information about coverage and health care should be clear, quickly obtainable and simple to use.

Unfortunately, trying to understand health coverage can be complicated and frustrating.

That's why Regence BlueShield has been working to make it easier for you and your patients to receive services from us. We're committed to putting our members first – and part of that is making services and information easily accessible.

As you'll read in this issue, the Washington Health Care Forum is working to simplify the administrative burden to your practice. In addition, we have made some significant improvements to our referral process that should reduce paperwork for you and eliminate headaches for our members when they need an intra-specialty referral (read more about that in the *Administrative simplification update* on page 5).

In addition, our redesigned Web site puts more information in your hands – and in our members' hands – quickly and easily. For example, we're now providing online hospital

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Mary O. McWilliams
President

safety information obtained from surveys conducted by The Leapfrog Group. Our hope is that our members use this information to learn more about hospitals they are considering for care.

We know our members have very little interest in a complex maze of benefits and networks. Consumers want clear and comprehensive coverage – as well as control over their health-care decisions. We've found that coverage doesn't need to be complicated.

Freedom of choice and ease of access are features Regence BlueShield has been offering for a long time. For example, our Selections® plan, which debuted in 1993, has just two benefit levels and the freedom to pursue in-network or out-of-network care. We're committed to continuing to make it easier – rather than more difficult – for consumers and providers to do business with us. We provide choice without confusion.

We also look to the future needs of our members – by watching market trends and listening to our customers' evolving expectations. We continue to compare our product portfolio against our market research to identify upcoming product needs.

We stand by our focus on our members and our commitment to providing them with access to care and to information on the coverage that pays for that care.

After all, providing access to care and information are at the heart of our business. And neither one should be too complicated.

New physician ombudsman

Larry Donohue, MD, a pioneer in establishing the role of our Physician Ombudsman, has announced his retirement from Regence BlueShield. Dr. Donohue leaves a valuable legacy of improved relationships between Regence and our physician partners, and we wish him the very best in his well-earned retirement.

Regence has selected John Boyes, MD, to succeed Dr. Donohue. Dr. Boyes, an actively practicing physician from Mount Vernon, is a former board chairman of Northwest Washington Medical Bureau and is currently a part-time associate medical director for Regence BlueShield. He can be reached Monday through Thursday from 8 a.m. to 5 p.m. at the same ombudsman telephone number: (206) 849-7090. Since he is in active medical practice, he may not be able to immediately answer each call. If you leave a message, however, he will return your call within several hours.

You may also e-mail the ombudsman directly from the link on our Web site. Check out our new Physician Ombudsman Web page at: www.wa.regence.com/provider/service/ombudsman.html.

It's a win-win-win-win-win-win-win-win-win-win-win situation

Could we interest you in winning one of the easiest-to-use, coolest-looking, most Internet-friendly computers ever built?

Just aim your computer at www.wa.regence.com. Then take a five-minute tour of the new Regence BlueShield Web site and you can enter to win one of 10 Apple® iMacs we're giving away.

Why the big contest? Because we want you to know about our new site so you can pass the word on to your patients.

With fewer patient questions, everyone wins

At the heart of the new Regence Web site is a member User's Guide that tackles how to file a claim, how deductibles work, when to make a copay, and hundreds of other everyday health plan procedures.

With this easy-to-access information, your Regence patients can answer many of their own questions, rather than tie up your staff. And since those questions don't always come up during business hours, our Web site is open around the clock.

That's the real win in all this: Your patients can find out how to use their Regence plan when it's convenient for them. And you can spend less time answering the same health plan questions over and over.

Please help us spread the word

The only way the new Regence Web site can start saving you time is if your patients know about it. So please help us get out the word. And don't forget to visit www.wa.regence.com yourself. You could win a new iMac from our partner, Westwind Computing. And your entire office will win happier, better-informed patients.

For a quick, easy way to send e-mails announcing the contest and Web site to clinic staff or your patients who are Regence members, go to our Contest Email Center at www.regencetour.com/email.



Mark Rattray joins Health Care Services as vice president



Mark Rattray

Mark Rattray, MD, started in June as vice president of Health Care Services. He comes to Regence from PacifiCare of Southern California, where he was regional medical director. He has also worked for QualMed in a variety of leadership roles, including medical director, chief medical officer and health plan president in Washington and Oregon.

In addition, Dr. Rattray spent most of a year as a product design and marketing consultant for Philadelphia-based CareScience, Inc., developing information systems that identified variations in care quality.

His diverse experience with other large health plans provides new perspectives, approaches and innovations for medical and information management and physician relations.

“While I’ve greatly enjoyed and learned from my previous positions, it’s a joy to be back in the Northwest,” Dr. Rattray adds.

Dr. Rattray practiced obstetrics and gynecology for 12 years in Edmonds prior to his career in medical management.

Physician satisfaction survey coming your way

We need your input

A targeted group of physicians and administrators will be receiving our annual physician satisfaction survey. The survey results will assist us in developing priorities for the coming year. Last year, the survey resulted in Regence BlueShield expanding external educational seminar efforts and stepping up our presence in the provider community by increasing our visits to provider offices.

We value your opinions and contributions. If you receive a survey, please take the time to complete and return it. Please be assured that we will once again share the results with you.

Regence BlueShield subsidiary to change name

To conform with new Blue Cross and Blue Shield Association guidelines, Regence BlueShield’s unbranded (non-Blue Shield) subsidiary, Regence Northwest Health, will change its name, effective November 1, 2002. The company will be called **Asuris Northwest Health** (pronounced *Assure-iss*). We are notifying members and contracted providers this summer.

Administrative simplification update

What's going on in the world of administrative simplification?

Washington Healthcare Forum Services

Well, a lot is happening! First, let's talk about the efforts of Washington Healthcare Forum Services (WHFS). This organization is composed of Regence BlueShield, Premera, Group Health, the Washington State Hospital Association, the Washington State Medical Association and several provider organizations. Their goal is simple – to streamline and simplify the health-care financing and delivery system across the state.

Physicians and Plan representatives have worked together to develop 10 policies and guidelines that, if implemented by physicians, practitioners and hospitals, will result in millions of dollars of productivity gains and improved cash flow.

This spring, WHFS sponsored a series of free workshops to inform and educate physicians and their staffs about the work of WHFS and to provide detailed information about new policies that are designed to streamline and standardize procedures – and hence save costs.

An overview of updates made to the administrative simplification policies is ready for your review. To view or download, go to our Web site (www.wa.regence.com/provider) and click on the administrative simplification item featured in the What's New section on the right side of the screen (or, go to www.wa.regence.com/provider/reference/document/adminSimplification.html). If you do not have access to the Internet, please contact your professional relations representative, who will be happy to send you a copy.



The WHFS administrative efforts will continue beyond the adoption and distribution of the first set of guidelines. We will keep you informed of future initiatives and solutions. In the meantime, if you have any questions regarding this work effort, please contact Jan West, manager of Provider Relations, at (253) 597-6554.

Referral simplification

We have some exciting news for you regarding referral requirements for our managed care plans. We have added a new option that allows a patient's PCP to approve/allow the "referred to" specialist to refer a patient on to another network physician specialist, if the need arises, *without* any additional paperwork or phone calls between the PCP and Regence BlueShield. To take advantage of this new feature, the PCP needs only to indicate his/her approval on the initial referral submission. This can be accomplished via NDEX, fax/mail or by telephone.

For more detailed information, check out our Web site, contact your personal professional relations representative or call a Provider Customer Service referral specialist at 1-800-322-1737 and select option 5.

Regence works to make a difference in our communities

Regence BlueShield was built on the strength of our customers and the strength of the communities in which they live and work. When our communities are healthy and growing, we are better able to offer quality health-care coverage at a reasonable cost.



Protecting and enhancing the health of our communities means being involved – with our people and our dollars. Over its 85-year history, Regence BlueShield has dedicated hundreds of thousands of dollars and tens of thousands of volunteer staff hours to improve our communities.

Our 2002 corporate giving program focuses on providing basic needs (food, clothing and shelter) and on non-profit agencies that strive to return people to self-sufficiency.

These are a few of the organizations that have been supported this year:

- > Assistance League
- > Emergency Food Network
- > Faith Homes
- > Fremont Public Association
- > Friendship House
- > Helping Hand House
- > Housing Hope
- > Martin Luther King Housing Development Association
- > New Options for Women
- > Parent Trust for Washington Children
- > Pike Market Senior Center Downtown Food Bank
- > Ronald McDonald House
- > Skagit Adult Day Care
- > Tacoma Urban League
- > Tallmadge Hamilton House
- > The Sharehouse
- > YWCA

Regence BlueShield supports these and other organizations with corporate contributions, volunteer hours and employee donations. Visit our Web site at www.wa.regence.com/about/community/corporateGiving.html to view a copy of our corporate giving guidelines.

what's changing

Welcome to "What's Changing at Regence." Based on your comments, we've created this single section to capture all of the important changes that are being implemented at Regence BlueShield (e.g., reimbursement policy, administrative simplification and new products and markets). Together, with our Administrative and Billing Essentials section and our at-a-glance Medical Policy section, all the most important information is collected together in easily identifiable content areas.

2003 reimbursement announcement

In August, all physicians and practitioners were mailed information regarding our fee schedule for 2003. Included in the mailing was a payment exhibit that detailed our payment and reimbursement methodology. If you did not receive a copy of this information, please contact your Professional Relations representative.

Claims timeliness report card

Regence BlueShield strives to meet the highest standards of claims payment timeliness. Our timeliness statistics are one way for us to ensure that we continue to meet our goal of excellent customer service. The standard set by the Blue Cross and Blue Shield Association is 97 percent of all claims processed within 30 calendar days of receipt.

2002 Traditional (PPO/POS) and RegenceCare (HMO)	
Month	Percentage of Claims Processed in 30 Calendar Days
January	96.4%
February	97.0%
March	97.5%
April	96.7%
May	97.6%
June	98.3%
July	98.6%

Look for updated logo on new plaques

At the request of the Blue Cross and Blue Shield Association, we are updating the Regence BlueShield logo. As part of this update, we will provide you with a new provider participation window plaque and a new title page for your organizational manual.

The new plaques and title pages are being distributed at workshops, through mailings and by professional relations representatives. So, if you still have an old plaque for King County Medical, Pierce County Medical or Northwest Washington Medical Bureau displayed in your office's

waiting room, please take a few moments to toss it out. If you do not receive these items, please contact your professional relations representative.

Formulary updates

Second quarter 2002 Regence BlueShield/RegenceCare formulary **additions** include:

Generic Name	Brand Name	Primary Use
fluorouracil	CARAC	Actinic keratosis
levetiracetam	KEPPRA	Seizures
lisinopril	(generics)	High blood pressure
lisinopril-hctz	(generics)	High blood pressure
zonisemide	ZONEGRAN	Seizures

Generic drug reminder

Some commonly used brand name medications that are now available generically include:

Adderal (mixture amphetamine salts)
 Ceftin (cefuroxime axetil)
 Cylert (pemoline)
 Glucophage (metformin)
 Nasalide (flunisolide)
 Prinivil/Zestril (lisinopril)
 Prinizide/Zestoretic (lisinopril-hctz)

Please consider prescription of the generic form of these medications and other generics whenever possible. In most cases, the member's copay is lower for generics and this lowers the cost of health care for everyone.

Some prescribers and patients continue to believe that generic drugs are inferior to brand name drugs. While once true, this is no longer the case. All generics authorized by Regence are bio-equivalent – that is, they are equivalent to the brand name both in dosage and bioavailability.

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Administrative and Billing Essentials

The appearance of procedure codes and fee schedule amounts does not necessarily indicate coverage. Payment shall be the fee schedule amount less the applicable copayment, coinsurance and/or deductible. CPT is a trademark of the American Medical Association (AMA).

Town hall education seminars: Road show coming your way

Our provider education specialists continue to work their way through the state conducting educational workshops. Over 120 people have completed workshops in Aberdeen, Port Angeles and Silverdale, bringing valuable questions and input. Workshops are customized to each geographical area and target issues experienced by that area.

Additional workshops will be held in Centralia in September, Olympia in October and Tacoma in November. Watch for an invitation.

In 2003, our specialists will continue to work their way north and they plan to reach as many geographic areas as possible. More information regarding the 2003 schedule will be forthcoming.

Covering ARNP/PAs

Recent system upgrades now allow Regence BlueShield to identify ARNPs or PAs when covering for specialists. Once identified, the practitioners are added to the specialist's covering table (located within our system), ensuring that future claims process correctly the first time.

Please refer to participating providers

Please remember that most Regence BlueShield and RegenceCare members are covered by plans that provide reduced or no benefits when services are provided by non-participating or non-network providers.

Your contractual obligation with Regence requires you to refer Regence BlueShield members to contracted providers. If circumstances arise, and it is necessary to refer your patient to a non-participating or non-network provider, please communicate this to your patient to avoid subjecting him or her to unexpected bills.

For a complete list of all Regence BlueShield physicians and other provider types, go to our Web site at www.wa.regence.com/provider and click on Find a Doctor. If you need additional assistance, please contact your Provider Customer Service referral specialist at 1-800-322-1737 and select Option 5.

Physician to patient e-mail, fax and telephone consultations not a covered benefit

Regence BlueShield health-care plans do not include a benefit for electronic mail (e-mail), facsimiles (fax) or

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Most prescribers also believe that signing "substitution permitted" will ensure substitution with a generic when one is available. This is also not true. This allows the pharmacist or patient to "upgrade" a generic prescription to a brand name drug at their discretion, even if you wrote the generic name of the drug.

To assure that a generic drug is always used when available, you must write "dispense generic" on the prescription.

Given the constraints on total premiums available for health care, increasing drug costs impinge on dollars for other things, such as physician services. Therefore, the single most effective tool to improve your drug utilization profile is to use generics whenever possible.



Administrative and Billing Essentials

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telephone communications between members and physicians and/or staff for the purpose of consultation, care planning or the dissemination of health related materials.

Currently, there are no quality assurance standards for these types of communications. However, we recognize that some offices use these tools effectively, and wish to charge for them. While these services are not reimbursable by Regence, as non-covered services they may be billed directly to the patient, engaging the patient directly in the accountability of e-mailing or calling the provider for medical consultation.

If a physician chooses to charge for the use of e-mail, fax and/or telephone as a means to provide care or for consultation, the patient must be informed of the fees beforehand and acknowledge the fees and his/her responsibilities in writing.

Please note: There are components included in the E&M service or procedure code that may not be billed separately. One such component is the practice expense of the service/procedure. Practice expenses include such things as the cost of the physician's staff, supplies and the equipment associated with the procedure/service.

An example of a service included in the practice expense is when a physician's office assistant pulls a patient's chart for medical information before calling in a pharmacy refill. Fees in addition to the procedure/service may not be billed to either Regence BlueShield or the member.

Regence BlueShield continues to reimburse for patient-activated monitoring and recording transmitted by modem or facsimile.

The complete reimbursement policy is available from your professional relations representative.

Office administered injectables

Physicians should not send patients to retail pharmacies with prescriptions for injectables that will be administered in the physician's office. Regence BlueShield members do not have coverage for these types of injectable medications through their retail drug benefit.

Office or clinic-administered injectables must be obtained by the physician from the manufacturer, wholesaler or pharmacy, and billed electronically or on a paper HCFA-1500 billing form. Only self-administered medications (or those administered by a trained caregiver) are covered through our retail drug benefit.

More Regence BlueShield-specific codes eliminated

We are in the process of eliminating codes specific to Regence BlueShield. The following codes have been replaced by nationally recognized codes.

Former RBS code	Replacement code
99079 Drugs (methadone etc) used to treat substance abuse conditions.	HCPCS code H0020 Alcohol and/or drug services; methadone administration and/or service.
59446 Labor management.	CPT® code 59899 Unlisted procedure, maternity care and delivery.
X9298 Service by Christian Science Practitioner – Boeing claims only.	HCPCS code S9900 Services by authorized Christian Science Practitioner for the process of healing, per diem. Not to be used for rest or study. Excludes inpatient services.

Guidelines for immunization administration for Healthy Options and BH+ children

Please use the following guidelines when billing for the administration of state-supplied vaccine to Healthy Options and BH+ members:

- > Effective July 1, 2002, please use **modifier -SL** when billing for state-supplied immunizations.
- > When the immunization materials were received from the Department of Health, CPT 90471 and 90472 are *not allowed* when billed with the following CPT codes

90633	90707
90645-90648	90712-90713
90657-90659	90716
90669	90732
90700	90744
90702	90747
- > As of July 1, 2002 the state *will* allow reimbursement for 90471 when billed with the administration procedure code 90718. (Prior to July 1, 2002, procedure code 90718 did *not* qualify for reimbursement with an administration code.)

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Administrative and Billing Essentials

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- > Reimbursement for the administration of state-supplied immunization is *not* allowed if the patient is 19 years of age or older.
- > Use only 90471 when administering *one* vaccine. Use both 90471 and 90472 when administering *more than one* vaccine, noting the units of service provided with the 90472 code.

Reimbursement for the administration of immunizations is allowed for specific immunizations. For the complete policy or a complete list of codes that qualify for administration reimbursement, please refer to the State's Memorandum No: 02-26-MAA.

Corrected billing vs. rebilling

Regence BlueShield receives frequent claim status inquiries and sometimes there is confusion about our definition of a "corrected billing" versus a claim that is being "rebilled." The following explanation should help clarify the difference.

Regence BlueShield considers a *corrected billing* to be any claim that contains a correction to an original processed claim. This could be a procedure code, diagnosis, date of service, patient name or patient date of birth. For example, the practitioner may have omitted a procedure by mistake and would like to correct that bill by submitting the additional procedure.

When you have a *corrected billing*, please do the following:

- > Submit corrected billings on paper.
- > Clearly mark "CORRECTED BILLING" on the claim form.
- > Submit supporting documentation for the change/correction.
- > Indicate the change on the claim form (add new procedure, diagnosis, etc.).

A *rebilling* is considered the same as a new claim. If you believe your claim was not received or processed, you are welcome to call Regence Blue Shield for a claim status. You

can also check NDEX or your electronic claims submission reports for claims status.

If your claims are not in our system, please do the following:

- > You may submit rebills electronically.
- > You do not need to submit supporting documentation.

P.O. box reminders

Please use the following post office boxes for paper claims submissions:

Submit all claims (except for FEP) to the following address:

Regence BlueShield
P.O. Box 30271
Salt Lake City UT 84130-0271

Submit all FEP claims to the following address:

Federal Employee Program (FEP)
P.O. Box 21709
Seattle, WA 98111

Please use the following post office boxes for *correspondence*:

Regence BlueShield
P.O. Box 21267
Seattle, WA 98111-3267

Federal Employee Program (FEP)
P.O. Box 21709
Seattle, WA 98111

Regence BlueShield – Boeing Plans
P.O. Box 91015
Seattle, WA 98111-9115



medical policy section

Provided below are summaries of new or revised medical policies. Complete medical policies can be found on NDEXnet.com or www.Regence.com/trgmedpol/. There may be member contract or administrative exceptions to some medical policies. For complete benefit information, please contact Customer Service (telephone numbers are listed on the back page of *Provisions*).

Medical Policy Rationale Statement:

Regence BlueShield medical policies are developed through consideration of medical necessity generally accepted standards of medical practice, a review of medical literature and government approval status.

Benefit determinations should be based in all cases on the applicable contract language. To the extent there are any conflicts between these guidelines and the contract language, the contract language will control.

The purpose of medical policy is to provide a guide to coverage. Medical policies are not intended to dictate to practitioners how to practice medicine. Practitioners are expected to exercise their medical judgment in providing the most appropriate care.

Orthosis with pneumatics

Effective for dates of service beginning September 1, 2002, a thoracic-lumbo-sacral orthosis incorporating pneumatic inflation is considered investigational. The lack of published studies on pneumatic lumbar orthosis, alone or in comparison to other types of back orthoses, does not permit scientific conclusions regarding its effectiveness as an intervention for treatment of low back pain.

Fiberoptic analysis of colorectal polyps

Effective for dates of service beginning September 1, 2002, fiberoptic analysis of colorectal polyps is considered investigational. The clinical significance of this procedure on net health outcomes remains inconclusive.

Transpupillary thermotherapy

Effective for dates of service beginning September 1, 2002, transpupillary thermotherapy is considered investigational as a treatment of choroidal neovascularization. There is minimal published data regarding transpupillary thermotherapy. More studies with longer follow-up are needed before conclusions can be made regarding the effectiveness of this procedure to treat choroidal neovascularization, which is a common cause of adult-onset blindness, most commonly associated with age-related macular degeneration.

Regence BlueShield Provider Customer Service Numbers

Provider Customer Service	Toll-free: 1-800-322-1737	Healthy Options	Toll-free: 1-800-669-8791
	For referrals only, select option 5		
Fax Number	1-877-367-6551	Individual	Toll-free: 1-888-344-8234
<i>Voiceline</i> **	Toll-free: 1-888-884-3746	Medicare Supplement	Toll-free: 1-888-344-5594
Basic Health Plan	Toll-free: 1-800-560-5731	Public Employees	
Boeing Traditional Medical Plan		Benefit Board Program (PEBB)	Toll-free: 1-800-258-2035
Union and Retiree Employees	(206) 464-0255	RegenceCare*	(206) 340-6610
	Toll-free, in-state: 1-800-422-7713		Toll-free, in-state: 1-800-222-6129
Non-Union Salaried Employees	1-888-232-5763	Regence BlueShield TDD	Toll-free: 1-877-727-4357
Boeing Selections		Regence BlueShield Home Page	www.wa.regence.com
Union and Retiree Employees	(206) 287-5920	Regence BlueShield Boeing	
	Toll-free, in-state: 1-800-669-9715	Home Page	www.wa.regence.com/boeing
Non-Union Salaried Employees	1-888-232-8229	RegenceCare PEBB	
CHECKUP Fraud Hotline	Toll-free: 1-800-WA-CHECK	Home Page	www.wa.regence.com/pebb
Federal Employee Program (FEP)	Toll-free: 1-800-552-0733	Physician Ombudsman	(206) 849-7090
		Professional Relations	1 (800) 562-2156

* Subsidiary of Regence BlueShield.

** *Voiceline* is an automated information system providing routine claims status information.



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