



# PROVIDER ALERT

Alert # 7- 2007 -5 -04 HCAL, HCYA, HCBK, HCCH, HCNE

To all Providers under Contract with Community Care:

When Community Care began its managed care operations 10 years ago, we spent as much time building our administrative infrastructure as we did developing clinical programs. We have always had a strong commitment to our contracted providers and wanted to ensure that we were diligent about paying claims correctly and quickly. Our commitment to excellence in claims processing has been evident in the claims infrastructure that we have set up.

Beginning in January, 2007, we implemented a new claims system in anticipation of replacing the external claims vendor (DST) that we have been using since 1997. We have used the new system, called MC400, for the implementation of the North Central HealthChoices contract and will also be using it for our next new contract, the Carbon-Monroe-Pike Counties HealthChoices Program.

Based on the performance of the new system, we feel confident that it is time to transfer our remaining contracts to the MC400. This change will complete the movement of claims processing from an outsourced vendor to an in-house solution. The MC400 solution is fully owned by our parent company and the source code is available to us for modifications as necessary. We are contracting with our sister insurance company, the UPMC Health Plan, for mailroom, scanning, and data entry services so that all claims will be mailed to an address within Pennsylvania.

For all of our contracts other than the North Central and the Carbon-Monroe-Pike contracts, the conversion will be effective on October 1, 2007. This means that for dates of service on or after October 1<sup>st</sup>, claims will be sent to the new system. For dates of service on or before September 30<sup>th</sup>, claims will be sent to DST.

We are planning a run-out of claims in the DST system during the final quarter of 2007. After that time, all adjustments and resubmissions will occur within the MC400 system.

We will be holding a number of training sessions for you and your billing teams in the next few months, but we wanted to send out this notice so that you could begin your planning for this change as soon as you wanted.

Below we have provided answers to some of the frequently asked questions about this move:

## 1. Why are you changing claims systems?

*In the past year we have grown to well over 500,000 covered lives. We take pride in the way we set up the DST system to maximize our responsiveness to the HealthChoices provider community, but we have often felt constrained in our ability to modify the system. We also listened to what you, the providers, were saying. In the spring of 2006 we held Provider Focus Groups across all of our contracts. We heard repeated requests from providers to move claims in-house, showing us that providers also recognized that having more control over the process, along with our already dedicated claims staff, would improve efficiency. Moving to a fully owned and fully dedicated system will allow us to more easily make modifications that sustain our commitment to performance.*

## **2. What should I do for claims for inpatient (hospital) services that span the September 30-October 1 transition dates?**

*All claims for inpatient services that begin on or before September 30<sup>th</sup> should be sent to DST regardless of the end date of the services on that claim form. Claims for all other types of service that span that date (for example, residential) should be billed with a cut-off on September 30<sup>th</sup>. For example, if a child is in your facility from August to November, we would ask that you bill up to September via DST and then send claims beginning on October 1 to the new address.*

## **3. What will happen if I mistakenly submit a claim for service to the wrong system?**

*We are working with mail rooms at both DST and the Health Plan to ensure that claims that are submitted to the incorrect system are routed correctly rather than being sent back to the provider. There may be a slight delay in your claim getting into the system if you send it to the wrong address. However, it will be correctly routed and will get paid appropriately.*

## **4. What will happen if I submit claims to both systems?**

*One of the main reasons for claims denial is duplication. This means that the system has identified that a claim for that date of service, member, procedure code and provider already exists in the system.*

*On an ongoing basis from the date of the new system and continuing for at least the first year after complete change-over, Community Care will carefully review all paid claims data to ensure that we do not pay for the same service twice. For all instances of duplication that are discovered, we will have to take that money back from the provider in a subsequent remittance advice. These dollars must be fully recouped by Community Care on behalf of the various HealthChoices Programs. Please do your best to minimize the submission of duplicate claims during this period.*

## **5. What should I do for claims that have dates of service prior to 1/1/2007?**

*Each HealthChoices program has its own standards for timely filing. Some require that services are billed within 60 days; some go as long as 120 days. However we know COB/TPL claims often require additional time. The most important thing to do is to bill your claims for dates of service prior to October 1, 2007, to DST as quickly as possible. And please note: our new system will not be configured to accept claims from earlier than January 1, 2007, so if you have any outstanding claims for 2006 (or earlier) that do not get into the DST system by September 30, 2007, you may not be able to get paid for those services. If you know that your organization will be affected by this, let us know as early as possible so that we can help you resolve the issues.*

## **6. What if I bill electronically?**

*The MC400 has an excellent module to enhance electronic billing of services. Providers can use any clearinghouse they wish, can up-load claims directly to the system, and can even enter data for individual claims into the system. In addition, claims submitted directly to the system can be modified (corrected) online so that resubmissions are simpler for the provider. We will be scheduling training specifically on the use of the new system for providers who currently bill electronically and for providers who would like to begin billing electronically.*

If you have questions please call the claims line at 1-888-251-2224.

