This bulletin (MAPROV-2-12-003-C) notifies facility providers of the effective date for application of Medicare Advantage medical policies to services rendered to a Highmark Medicare Advantage member by a facility or professional provider. In accordance with directives of the Centers for Medicare & Medicaid Services (CMS), the application date for such policies will be the effective date of the applicable National Coverage Determination (NCD) or Local Coverage Determination (LCD) or the date specified by the applicable legislation.

Bulletin MAPROV-2011-002-C notified facilities that Highmark would begin to apply certain Medicare Advantage medical policies -- including those specifying a place of service -- to facility business. One aspect of that initiative is the determination of the appropriate date on which the application of the policy to facility business should be made effective.

Normally, it is Highmark’s practice to provide 30-60 days’ notice of changes determined to have material impact, according to the notice requirements of the Highmark Facility Provider Agreements. However, long-standing regulations that were recently confirmed by CMS in the updated Chapter 4 of the Medicare Managed Care Manual, sections 90.2 - 90.4, obligate Highmark and other Medicare Advantage Organizations to provide benefit changes based on NCDs and LCDs as of the effective date of those documents and to provide benefit changes based on legislation as of the date specified in the legislation.

Therefore, as Highmark proceeds with its initiative to apply certain Medicare Advantage medical policies to facility business, it will need to observe this requirement. Because in many cases the Medicare Advantage medical policies to be applied to facilities have been in place for some time for professional providers, the effective dates of some of the policies may be well in the past.

**Understanding the Application of Medical Policy: Issue Dates and Effective Dates**

When feasible, Highmark will continue to notify facilities in advance about Medicare Advantage medical policies it intends to apply to facility business. Two important terms that will appear when facilities are notified that a medical policy will be applied to facility business are the policy’s **Issue Date** and its **Effective Date**.

- **The Issue Date** is the date on which a medical policy is posted for providers’ use on Highmark’s online Medicare Advantage Medical Policy page. If the policy is to be applied systematically (rather than via post-payment review), this is also the date on which the system edits begin to function.

- **The policy’s Effective Date** is the first process date/submission date on which (and going forward from which) providers and their claims are subject to the medical policy’s criteria.

As of the policy issue date announced in the facility notification, the Medicare Advantage medical policy will be applicable to facility business, retroactive to the effective date documented on the policy. Since Highmark’s system applies medical policy based on the date on which the claim is processed, claims submitted on and after the policy’s issue date, regardless of date of service, will be subject to the policy’s criteria. (Note that this includes claim adjustment situations.)

**Coming Soon: First Facility Bulletins Announcing Application of Specific Medicare Advantage Medical Policies to Facility Business**

The first facility bulletins announcing application of specific Medicare Advantage medical policies to facility business will be released in the very near future. Facilities are asked to be alert for these notifications.

**Preparing to Comply with Highmark Medicare Advantage Medical Policies**

Since the Medicare Advantage medical policies to be applied to facility business are based on the CMS regulations providers already follow when rendering services to patients with coverage under Traditional Medicare, providers
should be aware of these policies and be prepared to observe them.

**If Medical Necessity Criteria of Highmark Medicare Advantage Medical Policies are not Met**

If the medical necessity criteria of such policies are not met, claims submitted on and after the policy issue date(s) will be rejected as not medically necessary. **The Medicare Advantage member cannot be billed for the denied services unless the provider has given advance written notice, informing the member that the specific service may be deemed not medically necessary and providing an estimate of the cost.** The member must agree in writing to assume financial responsibility, in advance of receiving the service. The signed agreement, in the form of a Pre-Service Denial Notice, should be maintained in the provider’s records.

Highmark branded Pre-Service Denial Notice forms are available from the Highmark Blue Shield Provider Resource Center. To access them, follow the instructions below:

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From the Highmark Blue Cross Blue Shield Resource Center, click on the <em>Facility Information</em> link.</td>
<td>The <em>Facility Information</em> page is displayed.</td>
</tr>
<tr>
<td>2</td>
<td>On the Facility Information page, click the <em>Facility Forms</em> link.</td>
<td>The <em>Facility Forms</em> page is displayed.</td>
</tr>
<tr>
<td>3</td>
<td>Scroll to the bottom of the Facility Forms page to the section titled <em>Pre-Service Denial Notice for Medicare Advantage Members.</em></td>
<td>Beneath that heading is a link to the Pre-Service Denial Notice.</td>
</tr>
<tr>
<td>4</td>
<td>Click the link to display the Pre-Service Denial Notice form.</td>
<td></td>
</tr>
</tbody>
</table>

Medicare Advantage medical policies based upon National Coverage Determinations and Local Coverage Determinations will be considered effective upon application to facility business, retroactive to the effective date of the NCD/LCD, as documented on the Medicare Advantage medical policy. Medicare Advantage medical policies based upon benefit changes established through legislation will be considered effective upon application to facility business, retroactive to the date specified in the legislation.

The first facility bulletins announcing application of such Medicare Advantage medical policies to facility business will be released in the near future.

Questions regarding this bulletin should be directed to Highmark’s Medicare Advantage Facility Customer Service staff at **1-866-588-6967**.

For inquiries about eligibility, benefits, claim status or authorizations, Highmark encourages providers to use the electronic resources available to them – NaviNet® and the applicable HIPAA transactions – prior to placing a telephone call to Facility Customer Service.

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*NaviNet is a registered trademark of NaviNet, Inc. NaviNet, Inc., is an independent company that provides a secure, Web-based portal between providers and health care insurance plans.*