

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

7/2/2008 4:03 PM 1

Medi-CareFirst BlueCross BlueShield is the business name of Group Hospitalization and Medical Services, Inc. and First Care, Inc., and each is an independent licensee of the Blue Cross and Blue Shield Association. ® Registered trademark of the Blue Cross and Blue Shield Association. ®' Registered trademark of CareFirst of Maryland, Inc.

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

Table of Contents

Table of Contents	2
Private Fee-For-Service Overview	3
Plan Benefits	4
Member Disclaimer	5
Participating or “Deemed” Provider	5
Non-Deemed Providers.....	6
Emergency and Urgent Care for Non-Deemed Providers	7
Payment to Providers	7
Medically Necessary Services	7
Retrospective and Post Payment Review.....	8
Claims Procedures	8
Claim Submission Requirements	8
For local Plan members	8
For out-of-area members.....	9
Claims Processing Timeframes.....	10
Other Requirements	10
Provider Billing and Address Changes	11
Appeals and Grievance Process	11
Member Appeals and Grievances	11
Provider Appeals.....	12
For Out-of-Area Member Services	13
Provider Inquiries.....	13

Private Fee-For-Service Overview

Medi-CareFirst BlueCross BlueShield Medicare Advantage Private Fee-For-Service (“Medi-CareFirst BlueCross BlueShield MA PFFS”) is a Medicare Advantage Plan offered by Group Hospitalization and Medical Services, Inc. (“GHMSI”), a wholly controlled affiliate of CareFirst, Inc. GHMSI offers the following MA PFFS products:

- Medi-CareFirst BlueCross BlueShield MA PFFS *AdvantageBlue PFFS*
- Medi-CareFirst BlueCross BlueShield MA PFFS with Prescription Drug Program (PA-PD) *AdvantageBlue PFFS*

Medi-CareFirst BlueCross BlueShield MA PFFS products do not utilize a contracted provider network. Any Medicare-eligible provider furnishing covered health services, except for emergency services furnished in a hospital, to enrollees of Medi-CareFirst BlueCross BlueShield MA PFFS is considered “**deemed**” and is subject to these Terms and Conditions of Participation if the following conditions are met:

1. Services are covered by the Medi-CareFirst BlueCross BlueShield MA PFFS plan and are furnished to an enrollee of the Medi-CareFirst BlueCross BlueShield MA PFFS plan.
2. Before furnishing the services, the provider was informed of the individual’s enrollment in the Medi-CareFirst BlueCross BlueShield MA PFFS plan and was informed (or given reasonable opportunity to obtain information) about the Terms and Conditions of Participation and payment under the Medi-CareFirst BlueCross BlueShield MA PFFS plan.

Enrollment information can be obtained via a Member’s identification card or by calling Provider Service at 1-866-675-8637, Monday through Friday: 8:00 a.m. – 4:30 p.m. EST or other documents attesting to enrollment from CMS or Medi-CareFirst BlueCross BlueShield MA PFFS.

Information on payment terms and conditions are made available to providers (or their billing agents) through:

- this communication, or by
- mail (Provider Service, c/o Operations Administration, PO Box 535189, Pittsburgh, PA, 15253-5189),
- FAX (412-544-3880)
- Telephone (1-866-675-8637, Monday through Friday, 8:00 a.m. 4:30 p.m. EST)
- Via web http://www.medi-carefirst.com/mcf/attachments/AdvantageBluePFFS_TermsAndConditions_2008.pdf

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

Any eligible physician, hospital or other health care provider (“Provider”) may choose to render covered health services to a Medi-CareFirst BlueCross BlueShield MA PFFS enrollee and accept these terms and conditions. In return, the Provider will receive reimbursement based on current Original Medicare rules and fee schedules, less the Member’s cost-sharing responsibility.

The following general guidelines apply to Medi-CareFirst BlueCross BlueShield MA PFFS products, and are detailed below:

- No provider network or contract is required for participation
- “Deemed” providers must be eligible to participate with Medicare
- Reimbursement is based on Original Medicare rules and fee schedules
- Medicare National Coverage Determinations and Local Medical Review Policies are followed
- Referrals are not required
- Preauthorization of health care services is recommended, but not required

Plan Benefits

By enrolling in Medi-CareFirst BlueCross BlueShield MA PFFS, Medicare beneficiaries have a broader package of benefits than they would have through Medicare alone. Medi-CareFirst BlueCross BlueShield MA PFFS covers all Medicare-covered services plus some additional services. Groups also may elect to increase the covered services available. To find out what specific services a member may have based on their group coverage, call Provider Service, 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m., EST.

Medi-CareFirst BlueCross BlueShield MA PFFS follows Medicare coverage guidelines to determine benefits, unless otherwise specified. Though recommended, Medi-CareFirst BlueCross BlueShield MA PFFS does not have prior authorization or prior notification requirements. Member’s office visit (OV), specialist office visit (SP) and emergency room (ER) co-pays are indicated on their AdvantageBlue PFFS member identification (ID) card. Members who have questions about their benefits should be referred to the Service telephone number on the front of their AdvantageBlue PFFS member ID card.

Services not covered by Medicare are not covered by Medi-CareFirst BlueCross BlueShield MA PFFS unless specified in these Terms and Conditions, in the member’s Medi-CareFirst BlueCross BlueShield MA PFFS Summary of Benefits, or in the member’s Medi-CareFirst BlueCross BlueShield MA PFFS Evidence of Coverage. If you have any questions about whether a service is covered under Medi-CareFirst BlueCross BlueShield MA PFFS, please call Provider Service at 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m., EST.

Member Disclaimer

The following information is being included in all member materials:

A Medicare Advantage Private Fee-for-Service plan works differently than a Medicare supplement plan. Your doctor or hospital is not required to agree to accept the plan's terms and conditions, and thus may choose not to treat you with the exception of emergencies. If your doctor or hospital does not agree to accept our payment terms and conditions, they may choose not to provide health care services to you, except in emergencies. Providers can find the plan's terms and conditions on our website at http://www.medi-carefirst.com/mcf/attachments/AdvantageBluePFFS_TermsAndConditions_2008.pdf

Participating or "Deemed" Provider

Before providing covered services, Providers should be aware of the following Terms and Conditions of Participation concerning Medi-CareFirst BlueCross BlueShield MA PFFS products. Providers who agree to the terms and conditions are "deemed" providers.

1. The Provider must have knowledge that the patient is enrolled as a Member in a Medi-CareFirst BlueCross BlueShield MA PFFS product by requesting that the Member present an identification or enrollment card. The Provider may further validate eligibility by calling Provider Services at 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m., EST. or through other documents attesting to enrollment from CMS or Medi-CareFirst BlueCross BlueShield.
2. The Provider agrees to provide services to a Medi-CareFirst BlueCross BlueShield MA PFFS enrollee.
3. The Provider agrees not to balance bill Medi-CareFirst BlueCross BlueShield MA PFFS members, and will collect from members only their cost-sharing amounts.
4. The Provider agrees to bill Medi-CareFirst BlueCross BlueShield MA PFFS for reimbursement of Medicare-covered services.
5. The Provider agrees to provide health services in a culturally competent manner to MA PFFS members of different backgrounds.
6. The Provider agrees that services offered are accessible to all, including those with limited English proficiency or reading skills, and those with diverse cultural and ethnic backgrounds.
7. Providers must meet the following standards:
 - Hospitals and Skilled Nursing Facilities (SNFs) must be certified to treat Medicare beneficiaries.
 - The Provider must be licensed or certified by the state and acting within the scope of that license or certification, and has not been sanctioned or has not opted out of Medicare.
 - The Provider is not a Federal healthcare provider, such as a Veteran's Administration provider. Under general regulations, these Providers are not

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

eligible for reimbursement under a MA PFFS plan except when providing emergency care to non-veterans.

- The Provider must comply with all Medicare and other federal health care program laws, regulations and program instructions that apply to the services furnished to members.

Once these conditions are met, a Provider may provide covered services to a Medi-CareFirst BlueCross BlueShield MA PFFS enrollee and will be paid in accordance with the reimbursement policies and guidelines indicated below.

With the following exceptions, providers who render services to Medi-CareFirst BlueCross BlueShield MA PFFS enrollees agree that in no event, including but not limited to, non-payment by the plan or an intermediary, insolvency of the plan or an intermediary, or breach by the plan of this agreement, will the Provider bill, charge, collect a deposit from, seek compensation, remuneration or reimbursement from, or have any recourse against any enrollee or person (other than us or an intermediary) acting on behalf of the enrollee for health services provided pursuant to this agreement.

1. The above provision does not prohibit the provider from collecting co-payments, coinsurance or fees for services as specified under the enrollee's benefit contract.
2. The above provision does not prohibit the provider from collecting co-payments, coinsurance or fees for services not covered under the enrollee's benefit contract and delivered on a fee-for-service basis to the enrollee.

NOTE: Member's office visit (OV), specialist office visit (SP) and emergency room (ER) co-pays are indicated on their AdvantageBlue PFFS member identification (ID) card. Members who have questions about their benefits should be referred to the Service telephone number on the front of their AdvantageBlue PFFS member ID card.

3. This provision does not prohibit a Provider or an enrollee from agreeing to continue services solely at the expense of the enrollee, as long as the Provider has clearly informed the enrollee that Medi-CareFirst BlueCross BlueShield MA PFFS may not cover or continue to cover a specific service or services. This communication should be documented, in writing, in the member's office record.
4. Covered benefits for enrollees confined in an inpatient facility on the date of insolvency or other cessation of operations will continue until their continued confinement in an inpatient facility is no longer medically necessary.

Non-Deemed Providers

General Rule: If you are aware that a member is a Medi-CareFirst BlueCross BlueShield MA PFFS Plan member, but you choose not to accept the plan's terms and conditions of payment, you should **not** furnish services except in urgent or emergency care situations.

- If you accept Medicare assignment, you may not balance bill the member for emergency or urgent care but may only collect any applicable co-payments or coinsurance from the member.

- If you do not accept Medicare assignment, you may balance bill up to the Medicare limiting charge

Emergency and Urgent Care for Non-Deemed Providers

When you furnish services to a Medi-CareFirst BlueCross BlueShield MA PFFS member in an urgent or emergency care situation and inform the Plan that you do not wish to be treated as a Deemed Provider, you will generally receive payment equal to what you would have received under Original Medicare. In this context, you may only collect the applicable co-payments or coinsurance under the Plan from the member.

You must follow Medi-CareFirst BlueCross BlueShield MA PFFS claims submission procedures.

If you mistakenly collect more from a member than the designated co-payment or coinsurance, you must:

- Return to the member the total reimbursement amount less member cost-sharing.
- Collect the total reimbursement amount less member cost-sharing from Medi-CareFirst BlueCross BlueShield MA PFFS.

Payment to Providers

In general, reimbursement to Providers for covered services will be in accordance with Original Medicare rules and fee schedules or equivalent amount. Medicare National Coverage Determinations and Local Medical Review Policies will apply. In the absence of either of these, Local Medical Policy will be applied.

Medi-CareFirst BlueCross BlueShield MA PFFS will deduct the enrollee's applicable cost sharing from the Provider's payment. "Deemed" providers who render services to Medi-CareFirst BlueCross BlueShield MA PFFS enrollees must accept this payment, plus the enrollee's applicable cost sharing, as payment in full.

Non-Deemed providers may only treat Medi-CareFirst BlueCross BlueShield MA PFFS members for urgent or emergency care. If the non-deemed provider does not accept Medicare assignment, the provider may balance bill the enrollee up to the Medicare limiting charge. If the non-deemed provider accepts Medicare assignment, balance billing is not allowed.

CareFirst has not adopted CMS's Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) competitive bidding program and will continue to pay the Original Medicare rate for these services.

Medically Necessary Services

Medi-CareFirst BlueCross BlueShield MA PFFS uses written criteria to evaluate the necessity of medical and behavioral health services. These criteria include nationally developed clinical guidelines, medical policy, Medicare guidelines and locally developed criteria that have been reviewed and approved by appropriate medical and clinical specialists. These guidelines and policies are used to promote consistent review decisions by our clinical reviewers.

Medically necessary services are defined, by Medicare, as services or supplies that are:

- Proper and needed for the diagnosis or treatment of a medical condition
- Provided for the diagnosis, direct care, and treatment of a medical condition
- In agreement with standards of good medical practice in the local area and
- Not mainly for the convenience of the Member or the Provider.

MA PFFS plans are not required to pay for services that are not medically necessary under Medicare. A MA PFFS plan may pay for additional benefits, and in that case, will only pay for services that are covered and are medically necessary. If a member obtains a service that is not covered, the member is responsible for the cost of the service. If a member is not sure whether a service will be covered by Medi-CareFirst BlueCross BlueShield MA PFFS, the member has the right to call Medi-CareFirst BlueCross BlueShield MA PFFS at the toll-free number indicated on the identification card.

Retrospective and Post Payment Review

Retrospective and post-payment review is performed after a service has been provided and the claim has been adjudicated. Retrospective review decisions resulting in non-payment will not be reversed unless updated or additional information is received. Likewise, if post-payment review of claims indicates that a service was rendered and paid, but that additional documentation may be required to support future payments, the Provider will be contacted by Medi-CareFirst BlueCross BlueShield MA PFFS. At this time, the Provider will be notified as to appeal rights.

Claims Procedures

Medi-CareFirst BlueCross BlueShield follows Medicare's prompt payment requirements for all clean claims. A claim is considered one that does not require investigation or development outside the Medicare operation on a prepayment basis. Providers need to understand they are subject to laws applicable to persons or entities receiving federal funds, and must notify all subcontractors that they are also subject to these laws.

In general, Providers should submit claims using the same coding rules as Original Medicare, including usage of Medicare CPT codes and defined modifiers, and diagnosis codes to the highest specificity. Remember to use the CMS-approved HCPCS codes and CMS-approved modifiers.

Claim Submission Requirements

For local Plan members

- Medi-CareFirst BlueCross BlueShield MA PFFS processes claims following original Medicare billing rules, including all prospective payment system requirements. Submit claims using the same coding rules as original Medicare and use the Medicare CPT codes and defined modifiers. Bill diagnosis codes to the highest level of specificity. Remember to use the CMS-approved HCPCS codes and CMS-approved modifiers.

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

- Claims for Medi-CareFirst BlueCross BlueShield MA PFFS members should be sent to Medi-CareFirst BlueCross BlueShield, not to any Medicare carrier or fiscal intermediary.
- You should submit claims as soon as possible after a service is provided using the standard CMS-1500 or UB-04. All Medicare billing guidelines must be followed when submitting claims.
- Be sure to include the following on your claims:
 - Medicare Provider Number and Federal Tax identification number
 - Alpha prefix of the member's contract ID number (on member ID card)
 - Medi-CareFirst BlueCross BlueShield MA PFFS Blue member contract
- Submit electronic claims using the EDI 837 billing form
- Submit paper claims to Medi-CareFirst BlueCross BlueShield MA PFFS at the following address:

Medi-CareFirst Claims
c/o Operations Administration
PO Box 890395
Camp Hill, PA 17089-0395
- Providers submitting claims electronically should submit using the standard ANSI X12 837 transaction. Call EDI Service at 1-800-992-0246, Monday-Friday, 8:00 am-5:00 pm EST, for more information on submitting claims electronically. Our EDI Payor ID# is 19100
- Bill facility paper claims on a UB-04 claim form. Facilities must include the six-digit Medicare number in field 51 (PROVIDER NO.)
- Bill professional paper claims on a CMS-1500 claim form
- Facilities when submitting bills on a UB-04, must include the six-digit Medicare number in field 51 (PROVIDER NO.).
- Laboratories send claims directly to AdvantageBlue PFFS; use the CLIA number
- Include the National Provider Identifier (NPI) on all electronic claims.
- Coordination of Benefits: All Medicare Secondary Payer rules apply.
- Providers should obtain information on primary payer coverage and bill accordingly.

For out-of-area members

- Submit claims to CareFirst using the same coding rules as original Medicare and use the Medicare CPT codes and defined modifiers. Bill diagnosis codes to the highest level of specificity. Remember to use the CMS-approved HCPCS codes and CMS-approved modifiers.

- Include the National Provider Identifier (NPI) on all electronic claims
- You should report the Member's PFFS ID number with the alpha prefix (not the Health Insurance Claim Number (HICN)).
- Your name and credentials should be reported in Box 31 on paper CMS 1500 claims, or the equivalent field on the EDI 837.
- Hospice providers should continue to file claims using their current process.

Claims Processing Timeframes

CMS requires Medicare Advantage PFFS organizations offering PFFS products to process and pay 95 percent of all clean claims within 30 days of receipt. If a clean claim is not paid within the 30-day time frame, interest will be paid according to federal guidelines.

Other Requirements

Providers who render services to Medi-CareFirst BlueCross BlueShield MA PFFS enrollees must adhere to all industry standards, and applicable state and federal requirements.

Medi-CareFirst BlueCross BlueShield MA PFFS is a Medicare Advantage plan. Applicable Medicare or other federal healthcare program laws, regulations and program instructions must be followed.

The privacy of enrollees is important to Medi-CareFirst BlueCross BlueShield MA PFFS. Services provided under Medi-CareFirst BlueCross BlueShield MA PFFS must be provided in accordance with the standards for confidentiality and patient's right outlined in the 1997 Consumer Bill of Rights and Responsibilities, and all relevant HIPAA regulations.

Providers who render services to Medi-CareFirst BlueCross BlueShield MA PFFS enrollees agree to abide by Medi-CareFirst BlueCross BlueShield MA PFFS appeal and grievance procedures. Medicare Advantage organizations are prohibited from interfering with a health care professional (who is acting in the lawful scope of practice), on matters of advising or advocating on behalf of a Member enrolled in an MA plan with regard to:

- The patient's health status, medical care or treatment options, including adequate information of all relevant treatment options;
- The risks, benefits and outcomes of treatment or non-treatment; or the opportunity to refuse treatment or preferred future treatment decisions.

Health care professionals must provide information regarding treatment options in a culturally-competent manner, including the option of no treatment and must ensure that Members must have access to communicate with the health system regarding treatment options.

Providers are asked to notify Medi-CareFirst BlueCross BlueShield MA PFFS in the event of a Medicare provider number change resulting in a change in reimbursement (i.e.

acute care hospital changing to a Critical Access Hospital, family practice clinic changing to a rural health clinic, etc.).

To notify Medi-CareFirst BlueCross BlueShield MA PFFS of this change, please call our Provider Service number at 1-866-675-8637, Monday through Friday, 8:00 a.m. 4:30 p.m. EST or send in writing to:

Mail (Provider Service, c/o Operations Administration, PO Box 535189,
Pittsburgh, PA, 15253-5189)

Provider Billing and Address Changes

To ensure continuity of service, prior notice to Medi-CareFirst BlueCross BlueShield is needed for any of the following changes in your practice:

- 1099 Mailing Address
- Tax Identification Number or Entity Affiliation (W-9 required)
- Group Name or affiliation
- Physical or Billing Address
- Telephone and Fax number

You may also contact our Provider Service Department at 1-866-675-8637, Monday through Friday, 8:00 a.m. 4:30 p.m. EST if you have any questions regarding our reimbursement rates, or whether any changes are planned within the next thirty (30) days. Physicians and or other health care providers have the right to appeal to Medi-CareFirst BlueCross BlueShield MA PFFS. If a Provider disagrees with payment rates and has information that Original Medicare would pay more for a service, such documentation may be submitted for review and appropriate adjustment to payment may be made. We reserve the right to retrospectively review claims for claims payment accuracy based on the information submitted.

Questions about the Terms and Conditions of Participation for Medi-CareFirst BlueCross BlueShield MA PFFS, payment, benefits, or requests for any other information can be obtained by calling Provider Service at Provider Service at 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m. EST.

Appeals and Grievance Process

Medi-CareFirst BlueCross BlueShield MA PFFS maintains two systems for appeals and grievances – one for members and one for providers.

Member Appeals and Grievances

Members may submit appeals and grievances to Medi-CareFirst BlueCross BlueShield MA PFFS in accordance with the policies and procedures outlined in their Evidence of Coverage. Deemed Providers must cooperate with Medi-CareFirst BlueCross BlueShield MA PFFS in resolving member appeals and grievances by providing necessary information in a timely manner.

Physicians may assist members with appeals if:

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

- the member asks the Physician to be their authorized representative (to the extent allowed under Medicare Advantage law), and
- a Physician believes that an expedited decision is necessary because resolving an appeal in the standard timeframe would jeopardize the member's life or health or ability to regain maximum function.

Provider Appeals

For Local Member Services

If you think that the payment amount that you received for a service (including the member cost sharing collected) is less than you would have received under Original Medicare for the service, you can appeal the payment amount. To appeal the payment amount, you must provide reasonable documentation to the plan of the original Medicare payment amount that applies to the service. For example, a remittance advice from a Medicare carrier would be considered as documentation. If you have questions about a claim payment, please call Provider Service Provider Service at 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m. EST.

When calling, please have the following information available for the representative:

- Medicare provider billing number assigned by CMS
- Member's name
- Member's date of birth
- Member's identification number listed on the Medi-CareFirst BlueCross BlueShield MA PFFS ID card
- Claim number in question
- Date of Service
- Issue you want reviewed
- Additional information if necessary
- Copy of claim (if available)

If you demonstrate that you have not received proper payment, Medi-CareFirst BlueCross BlueShield MA PFFS will then pay the difference between what was originally received and what would have been received under original Medicare.

You may file a standard appeal of a denied claim if you complete a waiver of liability statement that says you will not bill the member regardless of the outcome of the appeal. Appeals letters and Waiver of Liability statements should be sent to:

Provider Service
c/o Operations Administration
P.O. Box 535189
Pittsburg, PA 15253-5189
866-675-8637 (PHONE)

Medi-CareFirst BlueCross BlueShield
Terms and Conditions of Payment for
AdvantageBlue Private Fee-For-Service Plan

412-544-3880 (FAX)

For Out-of-Area Member Services

If you think that the payment amount that you received for a service (including the member cost sharing collected) is less than it would have received under Original Medicare for the service, you can appeal the payment amount. Call your local Plan's provider service department phone number for further claims appeal information.

Provider Inquiries

If you have questions about Medi-CareFirst BlueCross BlueShield MA PFFS, please contact Provider Service at Provider Service at 1-866-675-8637, Monday through Friday, 8:00 a.m. – 4:30 p.m. EST. Please have the member's AdvantageBlue PFFS ID card information ready, if the inquiry involves a member.