

# PRN

## Policy Review & News

Important information about Pennsylvania Blue Shield

June 1998

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### News

#### MRI study leads to quality monitoring program

Pennsylvania Blue Shield has developed a routine, quality monitoring program for free-standing or mobile magnetic resonance imaging (MRI) sites in the state. The program was the end result of a pilot study that showed there was sufficient variation in the quality of the sites' work to warrant such a program.

These variations in quality ranged from inadequate or out-of-date equipment, to poor quality images and sites that had physicians reading less than 500 images a year — the minimum a physician must read to meet the industry-accepted standard for MRI expertise.

The quality program, carried out by the Health Service Research and Evaluation department, involved 103 free-standing MRI sites in the state that have been billing Blue Shield for their work with its members. (The sites involved are those not owned by a hospital.) An MRI site must comply with the program in order to continue billing Blue Shield for its services.

After reviewing both the standards set by Blue Shield and the study's site questionnaire, 11 MRI sites voluntarily agreed to stop billing Blue Shield for MRI services.

Other sites upgraded their operations in order to comply with the Blue Shield standards. For some sites this involved purchasing new equipment, hardware or software, hiring more qualified technical personnel or increasing the number of hours that a physician was available to supervise medical care.

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These reactions from the MRI sites were a perfect fit with the project's goals:

- Implement a program to ensure the quality of MRIs by evaluating the sites that are billing Blue Shield.
- Distribute standards for performance of magnetic resonance imaging.
- Assist sites to make changes needed to meet standards.
- Stop payment to sites demonstrating unsatisfactory performance.

## On-going program to include re-evaluations every three years

Blue Shield is notifying each site about the results of its review. Of the original 103 sites, 69 passed and 24 are under further review. The other facilities have closed their doors.

The program's plan includes a re-evaluation of each site every three years. The company will also accept accreditation by the American College of Radiology or by National Imaging Associates Inc., in lieu of this new quality review process. A separate radiology initiative is underway in Western Pennsylvania in conjunction with National Imaging Associates Inc., to review and privilege (a process that goes beyond credentialing by also looking at quality and utilization) providers and facilities that serve members in that region's managed care programs.

Blue Shield will work with the sites that require further review to define and carry out a corrective action plan. As long as these sites continue to work with Blue Shield to improve their operations, the company plans to continue reimbursing them for MRI services.

## Pilot study targeted 33 sites in Philadelphia area

Before looking at MRIs statewide, Blue Shield partnered with the Department of Radiology at the Jefferson Medical College and the Thomas Jefferson University Hospital for a pilot study. This pilot included 33 MRI sites in the greater Philadelphia area and was carried out in the early 1990s.

The goal was to develop a quality assessment program that, among other things, involved using health care professionals to review MR images from each site. It included setting up a system to monitor:

- The technical performance of the site.
- The completeness of the images attained at the site. (Are they good enough to show the physician what he or she needs to see in order to make a diagnosis?)
- The appropriateness of the interpreting physician's report.

## State-wide study involved three steps

Based on its work in the pilot study, Blue Shield used a three-step approach to determine the quality of both the sites and the images they produce.

Step one — Site questionnaire — A seven-page questionnaire went to each site, accompanied by the Blue Shield MRI standards. The questionnaire covered topics ranging from general site and equipment information, to personnel qualifications.

Step two — On-site inspection — Inspections were conducted by a team of Blue Shield-employed nurses. Their 49-item checklist covered eight main topics: equipment; physical site requirements and access standards; quality control program standards; quality assurance programs; personnel qualifications; radiology report and film

standards; medical records management; quality care programs; and plant technology and safety management standards.

Step three — Peer review process — The sites provided a random sample of four studies (consisting of a set of MRI images and accompanying interpretations). Blue Shield asked for one study covering each of the following parts of the body: cervical spine, lumbar spine, brain and knee.

The images and reports were masked to conceal both the interpreting physician's and the site's identities — and then evaluated for completeness of reporting, timeliness and film labeling. They then went to a panel of board-certified radiologists who evaluated them for image quality, completeness of image and appropriateness of interpretation.

(For more information, including overall figures from the study itself, visit our website at: [www.highmark.com](http://www.highmark.com). Or, call Health Service Research and Evaluation at (800) 216-9747; press option 2 and leave your name, telephone number and a short message outlining your request — a representative will return your call.)

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## Highmark Inc. — a stable force

Highmark Inc. — doing business as Pennsylvania Blue Shield — is a financially stable organization, committed to providing its customers with the industry's highest quality coverage and customer service. It is also a growing company that serves nearly 20 million people throughout its core and subsidiary business units in Pennsylvania and across the nation.

For an objective assessment of its financial standing, Blue Shield is rated annually by Standard & Poor's and A.M. Best, two of the most highly respected firms currently evaluating insurance companies. In 1997, Blue Shield received an "A+" rating from Standard & Poor's for its superior capitalization, excellent market position and good financial liquidity. A.M. Best awarded the company an "A" (Excellent), which signifies the company's dominant statewide market share, migration of business to managed care, product expansion, geographic diversification and strong financial position.

At year-end 1997, Blue Shield's financial reserves totaled \$1.9 billion. This reserve level is considered adequate based upon the guidelines of the Pennsylvania Insurance Department and the Blue Cross Blue Shield Association.

### Positioned for future success

Pennsylvania Blue Shield continues to adapt to the changing needs of the regional and national marketplaces with high quality products and services that offer flexibility, dependability and value.

Its core health care business activities within Pennsylvania, in partnership with regional Blue Cross plans, feature highly competitive product lines. Our business continues to maintain a larger market share than any other health insurer. On the national level, Blue Shield's dental, vision and life/casualty subsidiary companies contribute to achieving the company's long-range strategy for growing membership and revenue.

### About the Blue Cross Blue Shield system

The Blue Cross Blue Shield Association licenses Highmark Inc. — doing business as Pennsylvania Blue Shield — to offer certain products and services under the BLUE SHIELD brand name.

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Pennsylvania Blue Shield is an independent organization governed by its own Board of Directors, and responsible for its own obligations.

A copy of Pennsylvania Blue Shield's most recent audited financial statement is available upon request to the company.

## ***Pennsylvania Blue Shield and Subsidiaries Condensed Consolidated Balance Sheet\****

December 31, 1997 and 1996

(In thousands)

<b>Assets</b>	1997	1996
Cash and Investments	\$2,802,183	\$2,600,750
Accounts Receivable	704,423	701,199
Property and Equipment	313,853	343,202
Investment in Affiliates	24,492	100,940
Other Assets	<u>343,620</u>	<u>408,205</u>
<b>Total Assets</b>	<b>\$4,188,571</b>	<b>\$4,154,296</b>
<b>Liabilities and Reserves</b>		
Claims Outstanding	\$1,014,953	\$1,089,448
Unearned Subscription Revenue	157,212	207,408
Amounts Held for Others	242,594	337,811
Other Payables and Accrued Expenses	623,253	543,697
Notes Payable	<u>231,369</u>	<u>221,834</u>
<b>Total Liabilities</b>	<b>\$2,269,381</b>	<b>\$2,400,198</b>
Net unrealized gain on available-for-sale securities, net of deferred income taxes	\$ 178,931	\$ 114,641
General Reserves	<u>1,740,259</u>	<u>1,639,457</u>
<b>Total Reserves</b>	<b>\$1,919,190</b>	<b>\$1,754,098</b>
<b>Total Liabilities and Reserves</b>	<b>\$4,188,571</b>	<b>\$4,154,296</b>

\*Pennsylvania Blue Shield is the regional trade name used by Highmark Inc. in the central, northeastern and eastern regions of the state. Highmark Inc. was created by the consolidation of Veritus Inc. (doing business as Blue Cross of Western Pennsylvania) and the Medical Service Association of Pennsylvania (doing business as Pennsylvania Blue Shield) in late 1996. In Western Pennsylvania, the company operates as Highmark Blue Cross Blue Shield. These numbers are derived from audited financial statements, prepared in accordance with generally accepted accounting principles.

## New precertification customers

Here are additional customers requiring precertification through The Precertification Center in Harrisburg, with the effective dates for their precertification coverage.

Group customer	Effective date
21st Century Appraisals Inc.	4/15/98
4ever Land Conservation Association Inc.	3/1/98
5th Street Diner	3/15/98
A Classic Touch Styling and Tanning Center	3/15/98
A D Computer Corp.	5/1/98
A. D. S. Inc.	4/1/98
A. H. E. D. D.	2/1/98
A. S. Consulting Services	3/1/98
A.D. Marble & Company Inc.	4/1/98
A-2-H Energy Service Inc.	4/15/98
ABC Towing & Car Care	4/1/98
Action Rental Center Inc.	3/1/98
Affordable Cars & Trucks	3/1/98
AIA Pennsylvania	5/1/98
Alexander's Custom Finishing & Decorating	3/1/98
Alfero Company Inc.	3/1/98
All Clean Building Maintenance	5/1/98
Allentown Business Machines Inc.	4/1/98
Allentown Foot & Ankle Center	3/15/98
Allentown Internal Medicine Ltd.	3/1/98
Allied Construction Technologies Inc.	4/15/98
Al Mediterraneo	4/1/98
Ambika Donuts Inc.	2/15/98
American Legion 1001	5/1/98
Americus Pharmacy Inc.	4/1/98
Amos G. Kunkle, CPA	3/15/98
Ani-Motion Inc.	4/15/98
Apollo Metals Ltd. Salary	3/1/98
Appalachian Campsites	3/1/98
Applied Motion Technologies Inc.	2/15/98
Architerra, P.C.	2/1/98
Arlan C. Berger	3/15/98

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Assembly Plus	3/1/98
Associated Financial Planning Services	4/15/98
Atlee Hall & Brookhart	4/1/98
Auburn Apparel Inc.	3/1/98
Aumen Oil	3/1/98
B & W Plumbing & Heating	4/1/98
B A E C O Inc.	3/1/98
B. J. Promotions	2/15/98
Baker's Family Restaurant	3/15/98
B. G. Bonney Inc.	2/15/98
Barclay-White	3/1/98
Barnhart Electric	4/1/98
Barrens Valley Gallery	3/15/98
Barrett Enterprises	2/1/98
Bayanihan Ltd.	3/1/98
Beins Construction	2/15/98
Bell Distributing Inc.	3/1/98
Bennett, Bricklin and Saltzburg	3/1/98
Berkley Inn	3/1/98
Berks County Mental Health Assoc.	3/1/98
Berks County Podiatry Assoc.	4/1/98
Bethlehem Bagel Company Inc.	4/1/98
Betty's Concessions	4/1/98
Bill Moffatt Inc.	3/15/98
Bob's Flower Shop	4/1/98
Borenson and Assoc.	2/1/98
Borough of Middletown	3/1/98
Borough of Shippensburg Board of Commissioners	3/1/98
Boyd A. Mertz Greenhouses	4/15/98
Boyertown Chiropractic Center	5/1/98
Brewery Products Co.	3/1/98
Bride's Bakery	2/1/98
Brisban Street Corporation C/O Packing Services	3/1/98
Brookside Country Club	3/1/98
Brother's Pizza	4/1/98

Browns Firewood and Logging	5/1/98
Brytczuk Financial Services	3/1/98
Burkholder's Mobile Park Home	4/1/98
Buss Paint & Wallpaper Inc.	3/1/98
Busy Beaver Consignment Shoppe	4/1/98
Butz, Williams & Company Inc.	3/1/98
Buy-Rite Equipment Company Inc.	4/1/98
C & Z Construction	3/1/98
C. A. Homan Slate Roofing Co.	3/15/98
C. L. Eicholtz Co.	3/15/98
C. A. Weber Agency Inc.	3/1/98
Cabot Marsh	2/1/98
Calvary Baptist Church	4/1/98
Calvary Fellowship Homes Inc.	4/1/98
Camelot Cleaners	3/15/98
Camp Hebron	3/1/98
Cann's-Bilco Distributors	3/1/98
Capital Video Inc.	3/15/98
Capstone Corporate Leadership Development	3/15/98
Carl E. Oberheim, D.M.D., P.C.	2/15/98
Center For Pain Control, P.C.	3/1/98
Central Door & Plywood Co.	2/1/98
Charles J. King, D.D.S.	5/1/98
Charles Morris Inc.	4/1/98
Children's Home of York	3/1/98
Christopher H. Pickering Co.	3/1/98
Ciacco's By The Slice Pizza	4/1/98
Ciatto Construction Company Inc.	3/15/98
Clarks TV and Appliance Inc.	4/1/98
Cody & Co.	3/1/98
Colonial Park Barber Shop	4/1/98
Commonwealth Packaging Co.	1/1/98
Community Behavioral Healthcare Network of Pa.	3/1/98
Computer Management Group Inc.	4/1/98
Conestoga Wood Specialties	2/1/98

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Consolidation Resources Inc.	4/1/98
Construction Testing Inc.	3/1/98
Cookies & More	5/1/98
Country's Crossroads Restaurant	5/1/98
Countryside Beauty Salon	4/1/98
Country-VU Family Restaurant	4/1/98
Cross Keys Motor Inn	2/1/98
Cumberland Valley Tree Service Inc.	4/15/98
Current Electrical Sales Inc.	3/1/98
D & D Saylor Inc.	4/1/98
D J L Associated Inc.	5/1/98
D. C. Pattern & Tooling Inc.	4/1/98
Dajali Neon Enterprises, Ltd.	3/1/98
Dan's Camera City	4/1/98
Daniel M. Silverberg, M.D.	4/1/98
Dante Defranco Printing Co.	3/15/98
Data Management Solutions Inc.	3/15/98
Data Works Services	3/15/98
Deans Oil Company Inc.	3/1/98
Decker Surveying	4/15/98
Decoven Diner	1/1/98
Delancy Capital Assoc.	4/1/98
Dennis Boyer Mechanical Services	3/1/98
Deraymond & Smith	2/1/98
Destiny Transportation	5/1/98
Diane's Hair Design	5/1/98
Diehl Paving	4/1/98
Domain Technology Group Inc.	4/1/98
Don's Doors & Windows	3/1/98
Dr. J. Dean Walker Chiropractor	5/1/98
Dr. Michael J. Garcia	5/1/98
Dubbs Company Inc.	3/1/98
Duncannon Borough	3/15/98
Dunkin Donuts	2/15/98
Dutch Hotel	4/1/98



Earning Garage	4/15/98
East Coast Railroad Contractors Inc.	4/1/98
East Penn Aviation Service Inc.	3/15/98
East Pennsboro Ambulance Services Inc.	4/1/98
East Shore Community Church	3/1/98
Eastern Pa. Emergency Medical Services Council	3/1/98
Easton Ambulatory Services Assoc.	3/1/98
Economy Roofing & Siding Co.	4/1/98
Ed Kunsman and Sons Roofing Inc.	5/1/98
Edenburg Welding Co.	2/15/98
Edu-Care Services Inc.	3/1/98
Eichler Wood Products	4/1/98
Elam B. Buckholder	2/15/98
Energy Dynamics Inc.	3/1/98
Erb and Henry Equipment Co.	4/1/98
Eskimo's Barber Shop	3/1/98
Euro Brokers Inc.	3/1/98
Evans Disposal	4/15/98
Ewing Roofing Co.	3/1/98
Exclusive Transportation for Industry Inc.	4/1/98
F & L Fluid Components Inc.	4/15/98
Faith Fellowship Church	3/1/98
Family Health Council of Central Pa. Inc.	5/1/98
Fanelli's Windowman Inc.	4/1/98
Faust Hauling Inc.	4/1/98
Fedon T.V. & Appliance	2/1/98
Fidler Brothers Construction Co.	4/1/98
First Assembly of God	2/15/98
First Choice Fire Protection Inc.	3/1/98
Fischer Insurance Agency Inc.	4/1/98
Fleet Technology Inc.	4/1/98
Fleetwood Fire Department	3/15/98
Flying Hills Co.	4/1/98
Freed's Flowers	3/1/98
G S Flooring	4/1/98

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GAF Premium Products Inc.	4/1/98
Gary V. Noll, Painter	4/15/98
Gary W. Sterner	3/1/98
Gaumer's Chassis Engineering	3/15/98
Gee Kay Knit Products	3/1/98
Geesaman-Rock Construction Inc.	4/1/98
George W. Weaver and Son Inc.	3/1/98
Glenn's Home Furnishings	3/1/98
God's Missionary Church Inc.	4/1/98
Godfrey Advertising	3/1/98
Gospel Express	4/1/98
Grace, Reed & Kreider, P.C.	3/1/98
Graffius Tiny Treasures Nursery School	3/15/98
Great Valley Girl Scout Council Inc.	2/1/98
Gregory's General Contracting	3/1/98
H E Givler Trucking	2/15/98
H. Fred Martin, M.D.	4/1/98
Hairstyles By Kenneth	4/1/98
Hanover Conveying Systems Inc.	3/1/98
Hanover Iron Works Inc.	2/1/98
Harambee U.C.C.	3/1/98
Hartman, Hartman, Howe and Allerton, PC	3/15/98
Hartman's & Yannetti Attorneys	4/1/98
Hawk Mountain Sanctuary	4/1/98
Heritage Metal Finishing Inc.	3/15/98
HF Campbell & Son Inc.	4/1/98
High Peak Roofing & Painting Inc.	4/15/98
Hills Imports Inc.	2/15/98
Hoover Rehabilitation Services Inc.	2/15/98
Horst Auto and Truck	4/1/98
Imac Inc. T/A Ike's Mobile	3/1/98
Industrial Engraving Company Inc.	4/15/98
Industrial Transthermal Services	4/1/98
Information Technology Enterprises Inc.	3/1/98
Integra Services Inc.	3/15/98

Integrity Decorator Workshop	3/1/98
IRM Limited	4/1/98
Ismeca USA Inc.	4/1/98
J & R's Smokehouse	4/15/98
J C Smith Electronics	3/15/98
Jack's Glass Inc.	1/1/98
Jane Campbell Services	5/1/98
JHC Contracting Inc.	3/15/98
Jim Lisk Transportation Services	3/1/98
Jo - Mi Kennels	3/1/98
John Drzewiecki Insurance	4/1/98
John F. Moore Agency Inc.	4/1/98
John M. Kostecky Jr. and Assoc.	3/1/98
John Wilcox's Mifflinburg Lanes Inc.	3/15/98
John's Leasing	4/15/98
Johnson Floor Sanding and Finishing	3/1/98
Joint Municipal Authority of Wyomissing Valley	3/1/98
Jomar Holding Company Inc.	3/1/98
J.P. Lee Urology, Ltd.	4/1/98
JRS	3/1/98
K & D Produce	3/1/98
K & S Productions Inc.	3/1/98
K. C. Schaefer Supply Company Inc.	3/15/98
K.G.S. Corp.	5/1/98
Karchner, McClellan & Riddell	4/1/98
Karrick-Northside Div.	3/15/98
Kauffman's Poultry Service	3/15/98
Keith S. Keifer, D.M.D.	4/1/98
Ken Kimple Carpet	4/1/98
Kenneth P. Conrad Floor Installer	4/1/98
Kenny Concrete Inc.	4/1/98
Kerm's Auto Repair Service	3/1/98
Kess Body Shop	3/1/98
Key Technology Inc.	3/1/98
Kinder Castle	1/1/98

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Kingdom Blinds Manufacturing Inc.	1/1/98
Kirby Smith Associates Inc.	4/1/98
Kistler-O'Brien Fire Protection	2/1/98
Kohler Remodeling	5/1/98
L & A Transportation Service	3/15/98
L & L Construction Co.	4/1/98
L. Robert Kimball and Associated Inc.	3/1/98
Lance Mueller Assoc.	4/1/98
Larry's Automotive Part Accessories Inc.	4/1/98
Latimore Township York Springs Police Department	3/15/98
Latshaw & Menditto Inc.	4/1/98
Lebanon Mutual Insurance Co.	3/1/98
Lebanon Orthopedic Assoc.	3/1/98
Leed Environmental Services	4/1/98
Leesport Borough	2/15/98
Lehigh Valley Door Sales Inc.	3/1/98
Levinson Steel Co.	2/1/98
Lifepath Inc.	3/1/98
Lighter & Livelier	4/1/98
Lighthouse Abstract Ltd.	3/1/98
Little Apple Market Inc.	4/1/98
Love Homes Inc.	4/1/98
LST Inc.	4/1/98
Lutheran Brethren Conference Center Inc.	3/1/98
Lynn Ladder Co.	2/1/98
MFS Inc.	3/1/98
M.A. Yeakel Sons Inc.	4/1/98
Management Recruiters Reading	4/1/98
Manheim Investors	3/15/98
Marsala's Pizzeria & Restaurant	4/15/98
Max Care Inc.	3/1/98
McArdle's Pub & Inn	4/1/98
McHenry's Garage	3/1/98
McLaughlin Painting Inc.	3/1/98
Mechancis Savings & Loan, FSA	4/1/98

Medical Center Pharmacy	3/1/98
Medical Personnel Pool	4/1/98
Medical Transcriptions & Billing Services Inc.	3/1/98
Mermon Motors	4/15/98
Mertz Signs	2/15/98
Mertztown Community Medical Center	4/1/98
MGS Insurance Agency	4/1/98
Michael H. Ader, M.D.	4/1/98
Michelle L. Munson, Ph.D.	3/1/98
Mid Atlantic Installations	2/15/98
Mid Atlantic Machinery Inc.	4/1/98
Middleburg Video	4/1/98
Mifflin County Regional Police	3/1/98
Mifflin County Savings Bank	4/1/98
Milbro Company Inc.	3/1/98
Mill Street Inc.	3/1/98
Miller Welding Service	3/1/98
Minco Industrial Services Inc.	4/1/98
Mivajo's Pizza Inc.	4/15/98
Modular Systems Inc.	3/15/98
Monroe Township	3/1/98
Morris Laundromation Services Inc.	4/1/98
Motter's Auto & Truck Repair Inc.	4/1/98
Mowery Excavating	4/1/98
Multinet Corp.	5/1/98
Mummert's Auto Sales	2/15/98
Nancy C. Saidis & Assoc.	4/15/98
Napoli Inc.	3/1/98
Napoli Pizza, Steak and Subs	4/15/98
Nassaux Hemsley Inc.	4/1/98
NEI for Industry	2/15/98
New Horizon Party Sales Inc.	4/1/98
Nicks 1014 Café	3/15/98
Noll's Bike Shop	4/1/98
Northern Valley Auto Parts	4/15/98

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Nova Precision Casting Corp.	3/1/98
O'Shea Lumber Co.	2/1/98
Osan Manufacturing Company Inc.	3/1/98
Owens Monumental Co.	3/1/98
P. Rodney Hoffman Inc.	3/1/98
Pa. Statewide Independent Living Council	3/1/98
Paikes Enterprises Inc.	2/15/98
Paparone's Pizza Restaurant	2/1/98
Pavex Inc.	3/1/98
Penn Canal Farm	4/1/98
Penn Commerce Inc.	4/1/98
Penn Parts & Service Co.	4/1/98
Pennsylvania Game Warehouse	5/1/98
Peterman Motors	3/1/98
Philadelphia Maintenance Co.	4/1/98
Philip N. Sorrentino Associates, Inc.	3/1/98
Pine Creek Coal Co.	4/1/98
Pinnacle Investigations, LLC	2/15/98
Pinto's Market	4/15/98
Police Supplies of PA	3/1/98
Ponderosa Fibres of Pennsylvania	3/1/98
Prestige Motor Car of York Inc.	5/1/98
Publisher's Wholesale Associates Inc.	5/1/98
R & A Bender Inc.	3/1/98
R & R Kramer Inc.	3/1/98
R X Returns	2/1/98
R. E. Mundy Maintenance Service	3/1/98
R. H. Fink Inc.	4/1/98
Reading Electric Motor Service Inc.	3/1/98
Relhill Inc.	3/15/98
Renaissance Employee Services	3/1/98
Richard C. Diehl	4/15/98
Richard W. Blatt Pattern Shop Inc.	3/1/98
Richland Cutting Center Inc.	4/1/98
Robesonia Flowers Inc.	4/1/98

Rockland Embroidery	3/15/98
Ronald McCoy Home Improvements	4/15/98
Rotating Machinery Services Inc.	4/15/98
Row's Tackle & Ceramics	4/1/98
Roy D. Guise Farm	5/1/98
Rx Home Health Services Inc.	4/1/98
Ryder Supply Co.	4/1/98
Rye Township	3/15/98
Sadar Physiological Services	3/1/98
Schaefer Industries Inc.	3/1/98
Schmeck's Windsor Restaurant	3/1/98
Seams Impossible Inc.	3/1/98
Select Medical Corp.	3/1/98
Selinsgrove Post 6631	5/1/98
Seventy-Three Manufacturing Co.	3/1/98
Shaffer Truck Leasing	2/1/98
Shillington Assoc.	4/1/98
Shrom's Remodeling	4/1/98
Shuler Realty Management	3/1/98
Skip's Maintenance & Repair Inc.	4/1/98
SLP Roofing Inc.	3/1/98
SMC Transportation	5/1/98
South Penn Eye Care Surgeons	4/1/98
Spanish American Civic Assoc.	3/1/98
Special Edition	4/15/98
Speedway Oil Co.	4/1/98
SSI Services Inc.	4/1/98
St. Clair Auto Supply	3/15/98
St. James Church	3/1/98
Standardbred Horse Sales Co.	4/1/98
Stanley Paving	3/15/98
Steel Dispatch Inc.	5/15/98
Stefko Service Center Inc.	4/1/98
Stephen R. Gschrey, D.M.D.	4/1/98
Stephensons Greenhouse	3/1/98

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Super Softee	3/15/98
Surgical Associates of Bethlehem	3/1/98
Susquehanna Physical Therapy Assoc.	4/15/98
Swavely's Garage	5/1/98
Sycamore Spring Orchard	5/1/98
T & T Reloading Inc.	4/1/98
T Jimmy's Place	3/1/98
T R B Enterprises Inc.	3/15/98
Tal Tav Inc. D/B	4/1/98
Tanczos Beverages Inc.	3/1/98
TBJ Inc.	5/1/98
Temple Sunoco	3/1/98
That's Hair Biz	3/1/98
The Artists In Painting & Paperhanging	3/1/98
The Bridal Gallery, Etc.	4/1/98
The Dillsburg Agency Inc.	3/15/98
The First Presbyterian Church	3/1/98
The Focht Agency	5/1/98
The Kepler Home	4/1/98
The Paper Magic Group Inc.	2/1/98
Timeco Trucking	5/1/98
Tipco Biggs Inc.	4/1/98
T-N-T Gymnastics, Ltd.	3/1/98
Today's Housing Inc.	3/1/98
Tri-State Installation	3/15/98
Tri-Tech Business Machines Co.	5/1/98
Trim Master	2/1/98
Troy Coons Logging	4/1/98
Union County Chamber of Commerce	5/1/98
United Panel Inc.	4/1/98
Unlimited Services & Sales	5/1/98
Valley Anesthesia Inc.	3/1/98
Valley Health Employee Health Network Inc.	4/1/98
Valley Motor Co.	3/1/98



Valley Propane Inc.	2/15/98
Venezia Pizza Restaurant	4/15/98
Villa Teresa	3/1/98
Visiting Nurse Assoc. of Harrisburg	3/15/98
Wagner's Barber Shop	3/15/98
Walborn Insurance Agency	5/1/98
Walter N. Allen	3/1/98
Wampler's Buff and Wax	3/1/98
Weinstein Supply	3/1/98
Wertman & Rossetti Painting	4/1/98
Wessner's Excavating	3/15/98
West Shore Theatre	3/1/98
Western Auto Assoc. Stores	4/15/98
White Rose Ob/Gyn Assoc.	4/1/98
Wiconisco Township Supervisors	4/1/98
William E. Jeter, CAC	4/1/98
William G. Schwab Inc.	3/1/98
Windfield Business Papers Inc.	4/1/98
Windsor Borough	3/1/98
Wm. C. Fenstermaker Landscaping	3/15/98
Womens Health Center of Lebanon, Ltd.	4/1/98
York County Cerebral Palsy Home Inc.	3/1/98
York Steel Company Inc.	3/1/98
York Tracktown Employees Credit Union	4/1/98
Yorktown Chiropractic	5/1/98
Zerby Motors	4/1/98

To obtain precertification, call The Precertification Center, Monday through Friday,

8 a.m. to 4:15 p.m. The Center's telephone numbers are:

Medical-surgical services: (800) 441-2333 or (717) 760-9990

Mental health or substance abuse services: (800) 441-8811 or (717) 760-9990

## EMC News

### Submit mastectomy prostheses claims electronically

Claims for eligible, prosthetic devices incident to a mastectomy can be submitted electronically. These are DataStream Tier 1 claims — please submit them with NAIC code 54771.

In the April 1998 **PRN**, the article entitled “Mastectomy Health Security Act update” advised that Pennsylvania Blue Shield pays for certain prosthetic devices when they are incident to a mastectomy.

Submit claims for these prostheses electronically:

L8000 — breast prosthesis, mastectomy bra

L8010 — breast prosthesis, mastectomy sleeve

L8020 — breast prosthesis, mastectomy form

L8030 — breast prosthesis, silicone or equal

L8039 — breast prosthesis, not otherwise specified

Submit claims for internal prostheses, such as an implantable breast prosthesis, to the appropriate Blue Cross Plan for consideration.

For more information, contact the Direct Access Services support area at (800) 992-0246.

### Submit your SelectBlue claims and encounters electronically

Your vendor may classify SelectBlue claims as Keystone Health Plan West (KHPW) claims. They may tell you that they are not capable of submitting these claims electronically.

This is not true — SelectBlue claims are Pennsylvania Blue Shield claims. Therefore, you can submit them electronically.

SelectBlue is a Blue Shield point of service product. It is not a KHPW product. SelectBlue claims do not require special reporting requirements for electronic submission or additional vendor programming.

Here are some common misconceptions about SelectBlue:

1. They are KHPW claims.

**False.** These claims are Blue Shield claims, not KHPW claims. Therefore, send these claims with NAIC code 54771.

2. The insured’s identification number must be 11 digits with a three alpha prefix.

**False.** The insured’s identification number should contain a three character alpha prefix and a nine numeric identification number (the two-digit suffix on the identification card is dropped). However, because the SelectBlue insurance identification cards indicate a three alpha prefix and an 11 numeric identification number, this can be reported as well.

3. These claims must follow the KHPW reporting requirements.

**False.** These claims/encounters follow standard Blue Shield reporting requirements. Because they are not KHPW claims, they do not follow any unique reporting requirements.

4. I can't submit SelectBlue encounters electronically.

**False.** SelectBlue encounters can be sent electronically. Zero balances can be entered per line and/or per claim. You can mix claims and encounters within a batch and/or within a claim.

5. I can't submit my SelectBlue claims/encounters because of the required referral.

**False.** SelectBlue claims/encounters can be submitted electronically, independent of the referral. The primary care physician submits the referral to Blue Shield, either electronically through the ROAR system or on paper. The referral is matched to the electronic claim. If the referral has not been received before the claim is received, the claims processing system will continue to look for the referral for 21 days. If the referral is not on file after 21 days, the claim will pay at the lowest level.

6. I can't tell a SelectBlue claim from a KHPW claim.

**False.** There are several ways to distinguish a SelectBlue claim or member from a KHPW claim or member. First, the insured's identification card for KHPW will indicate "Keystone Health Plan," the SelectBlue card does not. Also, the SelectBlue insured's identification number will have a three-character alpha prefix; the KHPW numbers do not.

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More free software training offered

Direct Access Services is offering summer and early fall classes for Paperless Claims Express (PCE) for Windows® and CareConnect.

Who should attend

Health care professionals, office personnel or billing agents that have requested PCE for Windows® electronic billing software or CareConnect inquiry software.

What you will learn

In this four-hour, hands-on PCE training session, we introduce our Windows®-based version of PCE software. Training focuses on: Getting Started, Office Setup, File Maintenance, Patient Enrollment, Creating Electronic Claims, Claims Transmission, Electronic Reports and more.

The CareConnect training session covers the type of information available on our CareConnect network. Hands-on training enables attendees to access information for enrollment, benefits, claim status, allowances and much more.

Tentative summer and fall schedule

<b>Date *</b>	<b>Location*</b>
July 14	To be announced (TBA), Philadelphia
July 15 (Focus: vision providers)	TBA, Philadelphia
July 28	Sacred Heart Hospital, Allentown
Aug. 6	Med Cor Building, Somerset
Aug. 18	Camp Hill Corporate Center, Camp Hill

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Date *	Location*
Aug. 25	Allied Services, Corporate Services Center, Scranton
Sept. 10	TBA, Pittsburgh
Sept. 22	Altoona Hospital Center for Medicine, Altoona
Oct. 8	Camp Hill Corporate Center, Camp Hill

\*Training dates and locations are subject to change.

Call (800) 535-3576 to confirm training times and locations.

#### How to register

To register by phone: call (800) 535-3576 and speak to a DAS Marketing Support representative.

To register by fax: fax your request to (717) 730-8968, attention: Training coordinator. Please include your name, telephone number and number of attendees. DAS will contact you to verify your registration.

To register by the Internet: access our website at [www.careconnect.com](http://www.careconnect.com) and click on DataStream. On the DataStream page, click on products. On this page, click on PCE for Windows®. Now, click on the training button at the bottom of the page. Complete and submit the form.

Make your reservations today — space is limited.

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## Electronic solutions — stop sending paper claims

Here are some claim types that can be submitted electronically.

### 1. Claims or encounters that are missing an alpha prefix

- Not all claims or encounters have an alpha prefix. Consequently, these situations do not require the prefix, such as, FEP claims.

We can receive FEP claims electronically even though they do not have a three-character alpha prefix. If the alpha prefix isn't pictured on the insurance card, it isn't required. Send these claims electronically even if the alpha prefix is not provided. Direct Access Services (DAS) does not edit on the alpha prefix field.

If these claims pay on paper, they will pay faster electronically. Therefore, do not print these claims to paper.

### 2. Blue Shield secondary claims

- Some electronic offices assume that the EOB is required for secondary claims submission. Those offices are partially right. If these claims were submitted on paper, a paper EOB is needed.

With electronic claims submission we have accommodated this primary EOB within the electronic specifications. The paper is eliminated and all information on the paper primary EOB can now be keyed into the specifications.

If your office doesn't have this capability, please contact your vendor. These secondary

records are in our electronic specifications.

If Xact Medicare is primary, claims are sent electronically to Xact. If we do not have the patient's Medicare number on file, the claims will cross over automatically.

Pennsylvania Blue Shield secondary claims will automatically cross over — as long as the member's file is complete.

### 3. Resubmissions

- If you do not receive a response about previously submitted claims, check the status of your claims in CareConnect or call InfoFax instead of resubmitting another claim. If, for some reason, the claim is not there, resubmit electronically, not on paper.

### 4. SelectBlue

- SelectBlue is a Blue Shield point of service product. It is not a Keystone Health Plan West product. It does not require special reporting requirements for electronic submission. Submit these claims and encounters with NAIC code 54771. They do not require additional vendor programming.

If you are currently a paper biller, contact DAS' toll-free number at (800) 992-0246 or view our website at [www.careconnect.com](http://www.careconnect.com). Marketing materials are available that outline the many time-saving products and services we offer.

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## The Year 2000 — will we be able to communicate?

In previous issues of **PRN** (see the December 1997 and February 1998 issues), we discussed the basics of the Year 2000 situation.

Studies estimate that 50 to 75 percent of all business-to-business interactions consist of one organization's computer system electronically communicating (sending and/or receiving information) with another organization's computer system. For the most part, these transactions are successful.

Most organizations are rushing to fix their computers. A significant part of this process is ensuring that their software receives and sends compliant dates. Their systems need to calculate dates using the year 2000 and not 1900.

To do this, organizations must modify their software to handle the date differently. One option is to "patch" or re-write their current software to make this happen. While the modifications may work within the organization's own computer system, there are no guarantees they will work with everyone else's system. In other words, two different computers that are successfully passing data back and forth today may not be able to do so in the year 2000.

### Non-compliant formats to be eliminated

To avoid this scenario, Direct Access Services (DAS) is eliminating all electronic formats that are not Year 2000 compliant. After April 1999, Pennsylvania Blue Shield will no longer accept electronic claims and encounters or transmit its Reconciliation Reports in the NSF 1.0 or the ANSI X12 3032 formats. DAS suggests that you talk with your computer vendor to determine which format you are using to communicate and, if necessary, develop a time frame for migrating to a compliant format.

The NSF 2.0 and ANSI X12 3051 formats are Year 2000 compliant.

For more information, please call Lew Luftig at (717) 760-9562.

# PRN

## Policy

### Reimbursement changes set for June 29

Pennsylvania Blue Shield is changing the way it reimburses certain services. The Pennsylvania Insurance Department is currently reviewing these proposed changes. If the Insurance Department approves them, the following reimbursement changes will occur, effective for claims processed on or after June 29, 1998:

- UCR and PremierBlue — Pennsylvania Blue Shield will switch to Medicare's list of procedure codes that provide additional reimbursement for selected surgical procedures when they are performed in an office setting. Just as the Blue Shield fees were designed — the Medicare fees are intended to reimburse health care professionals for the equipment and expense of performing these procedures in the office rather than in the inpatient or outpatient departments of a hospital. By using the same list, we are making it easier for health care professionals to report these procedures. We will continue to allow additional reimbursement for codes 07230, 07240 and 07241.
- PremierBlue — Blue Shield will adjust the allowances for clinical laboratory services to 70 percent of the Level II UCR allowances, so that they remain competitively priced. Our adjusted clinical laboratory fees are consistent with Medicare's reimbursements. This change affects all pathology with the exception of surgical pathology codes 88300-88309, 88331-88332 and 88365.
- PremierBlue — Blue Shield will reduce the allowances for select radiology services so that they remain competitively priced. After much research, we have adopted two general guidelines for reducing these fees: returning a select group of them to their original levels (82 percent of UCR); and reducing another group to a percentage moderately above that of the Medicare fee schedule.
- Blue Shield will revise the Level II allowances for its UCR product and PremierBlue allowances for the individual component codes previously combined and processed under the deleted automated multi-channel panel codes to the 1998 national limit reimbursed under Medicare. This reimbursement change is intended to partially offset an anticipated increase in claims payout due to the increase in utilization of the individual component codes.
- Blue Shield will revise the Level II allowances under its UCR product and PremierBlue allowances for 177 high frequency procedure codes with allowances that are significantly higher than Medicare.

The changes are the result of a thorough evaluation of our current UCR and PremierBlue allowances, claims data and reimbursement under the Medicare Program.

Also, effective for claims processed on or after June 1, 1998, Blue Shield will revise the Level II allowances for UCR and PremierBlue for codes 88304 and 88305. In 1994, revised reporting guidelines for surgical pathology services allowed reimbursement for one surgical pathology code for each separately identifiable specimen requiring individual examination and pathologic diagnosis. The revised fees are intended to offset the unintended increase in payout for these services.

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## Average wholesale price for immunization codes changes

Pennsylvania Blue Shield is revising the average wholesale price (AWP) for certain immunization codes. Pending approval by the Pennsylvania Insurance Department, the AWP for immunization codes 90704, 90705, 90706 and 90745 will decrease beginning July 6, 1998.

The Pennsylvania Childhood Immunization Mandate (Act 35/1992) requires that reimbursement for immunizations can not exceed 150 percent of the AWP for the drug. In August 1997, the Federal excise tax for select immunizations was revised to 75 cents per ingredient.

These revisions apply to UCR and PremierBlue allowances.

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## Radionuclide imaging of the breast not covered

Pennsylvania Blue Shield considers radionuclide imaging of the breast using any radiopharmaceutical to be an investigational procedure in all applications, including but not limited to its use:

- as an adjunct to mammography in the evaluation of the breast;
- in staging the axillary lymph nodes;
- for breast cancer screening;
- to confirm the presence or absence of malignancy;
- as an alternative to biopsy prompted by an abnormal mammogram or breast mass.

Therefore, it is not eligible for payment. Use codes 78800, 78801 or 78803, as appropriate, to report this nuclear imaging procedure.

Radionuclide imaging of the breast is also known as scintimammography, mammoscintigraphy or breast scintigraphy. It is a nuclear imaging procedure that uses a radiopharmaceutical to provide tumor-specific imaging of the breast. After injection of the radiopharmaceutical, the breast is evaluated with planar or single photon emission computed tomography (SPECT) radionuclide imaging.

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## Transurethral needle ablation of the prostate considered investigational

Pennsylvania Blue Shield considers transurethral needle ablation (TUNA) of the prostate to be an investigational service. Therefore, it is not eligible for payment. Use code 53852 to report this procedure.

TUNA of the prostate is a form of thermal therapy that uses radiofrequency energy to treat symptomatic benign prostatic hyperplasia. This procedure is a minimally invasive treatment generally performed under local anesthesia in an outpatient or office-based setting.

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## Cryosurgery of the liver approved

Pennsylvania Blue Shield's Board of Directors recently approved cryosurgery of the liver as an eligible procedure.

Cryosurgery of the liver is covered for patients with unresectable liver tumors or for those whose liver tumors are not totally resectable when the following patient selection criteria are met:

- Proven primary or secondary malignant tumor by biopsy, tumor markers, MRI, CT scan or ultrasound.
- The lesion(s) must be unresectable, whether on the basis of size, location (proximity to major structures), bilobar involvement or underlying liver disease, such as cirrhosis.
- There must be no residual tumor at the primary site for patients with metastatic disease.
- There must be no evidence of extra-hepatic malignancy.
- All visible tumors (visible by imaging study, including intra-operative ultrasound) must be eradicable.

Report code 47399 for cryosurgery of the liver.

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## Electron beam computed tomography not covered

Pennsylvania Blue Shield considers electron beam computed tomography (EBCT) as an investigational procedure. Therefore, it is ineligible for payment. Use code 76499 to report this procedure, and provide a complete description of the service.

EBCT is an imaging technology that uses an electron beam rather than an X-ray tube to create radiographic images. It combines recent advances in high-speed digital technology with rapid scan times to image a moving structure, such as the heart. It is also known as Ultrafast CT, cine computed X-ray tomography, rapid acquisition X-ray computed tomography or high speed computed X-ray tomography.

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## Arterial puncture hemostasis considered part of global fee

Pennsylvania Blue Shield considers any method of arterial puncture hemostasis (codes 37799 or 93799, as appropriate) to be part of the global angiography or interventional fee. It is not payable in addition to the angiography or interventional procedure. A participating or preferred provider may not bill the patient separately for arterial puncture hemostasis.

Diagnostic angiography and interventional catheterization procedures, for example, heart catheterization, require femoral arterial puncture closure immediately after the catheter has been removed. The most common methods to stop bleeding (hemostasis) at the puncture site are manual or mechanical compression, the application of weight by hand or applying a clamping device to the artery.

The alternative to manual or mechanical compression is the placement of a collagen sponge, plug, and/or an absorbable suture at the arterial puncture site. Devices such as Angio-Seal, VasoSeal, Prostar and Techstar may be used to achieve the necessary hemostasis in these instances.



## Reporting of administration of immunizations outlined

You may report a separate administration fee with immunization procedure codes 90700-90709, 90713, 90721 or 90724-90749. However, report only one administration fee when you administer a combination vaccine.

For example, report procedure codes 90721 and W0353 when administering the combination vaccine DTaP and HIB.

Do not report code W0353 with a multiple value in the number of services field.

## Leuprolide Depot reporting guidelines

Do not include a multiple value in the number of services field when reporting Leuprolide Depot.

Please report Leuprolide Depot as follows:

Code	Terminology	Dosage per month
J9217	Leuprolide Depot 7.5 mg	Report for one-month dosage
S0066	Leuprolide Depot 22.5 mg	Report for three-month dosage
J9999	Leuprolide Depot 30 mg	Report for four-month dosage. Please include a complete description of the service.

## Reporting of Granisetron Hydrochloride

Please use procedure code J1626 when reporting Granisetron Hydrochloride per 100 mcg. If administering 1 mg, please indicate a "10" in the number of services field.

## Codes

PTM changes	Page	Code	Terminology	Action
	110	S8048	Isolated limb perfusion	Add
	280	Q0162	Catheterization for collection of specimen(s), single patient, all places of service	Add
	392	Q0159	Injection, Adenosine, 90 mg	Add
	398	S0035	Piperacillin Sodium, per 1 gm.	Change terminology
	399	Q0160	Factor IX (antihemophilic factor, purified, non-recombinant) per i.u.	Add
	399	Q0161	Factor IX (antihemophilic factor, recombinant) per i.u.	Add

# PRN

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Notes

Need to change  
your provider  
information?

Fax the information to us!

You can fax us changes about your practice information, such as the information listed on the coupon below. The fax number is (717) 731-2896. You may also continue to send information by completing the coupon below.

Coupon for changes to provider information

Please clip and mail this coupon, leaving the **PRN** mailing label attached to the reverse side to:

Pennsylvania Blue Shield  
Provider Data Services  
PO Box 898842  
Camp Hill, Pa. 17089-8842

Name: \_\_\_\_\_ Provider ID Number: \_\_\_\_\_

Electronic Media Claims Source Number: \_\_\_\_\_

Please make the following changes to my provider records:

Practice Name: \_\_\_\_\_

Practice Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Specialty: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Tax ID Number: \_\_\_\_\_

Provider's Signature: \_\_\_\_\_ Date Signed: \_\_\_\_\_

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## Acknowledgement

The five-digit numeric codes that appear in **PRN** were obtained from the Physician's Current Procedural Terminology, as contained in CPT-1998, Copyright 1997, by the American Medical Association. **PRN** includes CPT descriptive terms and numeric identifying codes and modifiers for reporting medical services and procedures and other materials that are copyrighted by the American Medical Association.

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