

Provider newsletter 2009

Volume 1, Number 3

Get Paid at the Speed of Light

The VA Health Administration Center has made great strides in creating a claims payment process that allows you, the provider, to submit health care claims to us electronically, through an electronic data interchange (EDI).

This is a great way to do business with us, not only because we can process the claims much faster, but because you will also receive your payment much faster.

Electronic Data Interchange: EDI describes the electronic exchange of business documents. EDI uses the standard format ASC X12—Accredited Standards Committee chartered by the American National Standards Institute (ANSI) to develop and maintain uniform standards facilitating electronic data interchange. In the exchange of electronic data, a clearinghouse is used that acts as a third party to perform the following functions:

1. Receives provider claim data
2. Translates the data into the appropriate ANSI format
3. Forwards the data to the Health Administration Center (HAC) on behalf of the provider
4. Interprets transmission confirmation reports
5. Distributes Electronic Remittance Advice reports

Health care plans (e.g., HMOs, insurers), health care clearinghouses (e.g., billing services, repricing companies) and health care providers that transmit health information in electronic form must comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations.

HIPAA established a national framework for security standards and protection of confidentiality with regard to health care data and information. Covered transactions must be compliant with HIPAA. HIPAA currently requires that these transactions be submitted and processed by health plans in the X12 4010A1 format.

Below are the HIPAA-mandated transactions:

837P—Professional Health Care Claim Transaction

837I—Institutional Health Care Claim Transaction

837D—Dental Health Care Claim Transaction

835—Health Care Claim Payment/Advice Transaction

276/277—Health Care Claim Status Request and Response Transaction

270/271—Health Care Eligibility Benefit Request and Response Transaction

Medical and Dental Electronic Claims: The HAC accepts HIPAA compliant electronic 837 Institutional, Professional and Dental claims. Using this service, doctors, dentists, hospitals and other medical service providers can cut claims processing time by weeks! Claims for CHAMPVA, Spina Bifida and Children of

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*Wounded Warrior Diaries
Veteran's Profile*

Women Vietnam Veterans patients must be submitted through our clearinghouse, Emdeon™. Our EDI payer ID number at Emdeon is 84146 for medical claims and 84147 for dental claims. If you are not connected to Emdeon, contact your clearinghouse to be sure our payer IDs have been added to their software system. If you are interested in submitting claims through Emdeon, you can contact them by going to www.emdeon.com/ClaimsAdministration/payers_ecommerce.php. Please remember that for all the programs administered by the HAC, our beneficiary/your patient is always the subscriber. Please ensure that you are using the name and member ID as it appears on the patient's HAC program identification card.

CHAMPVA is secondary to most other health insurance. In order to prevent rejection of a claim, it is very important that the claim is filed with an insurance primary to CHAMPVA before sending the claims to us. In most cases we will cover the remaining patient's responsibility. It is important that the patient responsibility amount is populated in the OHI section of the claim data.

Pharmacy Claims: Most pharmacies submit claims to CHAMPVA electronically through the SXC Health Solutions Inc. network using:
BIN: 610593
PCN: VA
GRP: HAC

If you are not a part of the SXC network and are interested in finding out more about SXC, you can contact the SXC Provider Network Line at 480-362-5227.

A benefit for the CHAMPVA beneficiary/subscriber is that they will only have an out-of-pocket expense of 25% for the medication at the time of purchase.

If the subscriber's other primary insurance does not include pharmacy coverage, they can use an SXC network pharmacy. If the other health insurance pays before CHAMPVA, the subscriber cannot use SXC.

Electronic Remittance Advice (ERA): For all compliant electronic claims sent to VA through our clearinghouse, Emdeon, we can provide a HIPAA-mandated electronic 835 Remittance Advice to you through Emdeon. Before you can receive the HAC 835s, you must first complete the ERA Provider Setup form on the Emdeon Web site. The form and additional information about the ERA can be found at www.emdeon.com/enrollment/index.php. We will also continue to provide you with a paper explanation of benefits for all electronic claims processed.

Electronic Claim Status: The HAC is able to provide you with a real-time 277 electronic Health Care Claim Status Response for electronic claims submitted through our clearinghouse Emdeon, formerly known as WebMD. Our real-time payer ID at Emdeon is 00232.

Pharmacy providers can also inquire about electronic pharmacy claims submitted to SXC by submitting an NCPDP claims status inquiry.

Electronic Eligibility: The HAC is able to provide you with a real-time 271 electronic Health Care Eligibility Benefit Response through our clearinghouse Emdeon™ Envoy. We can respond

with an acknowledgment that the patient is unknown or has active or no coverage for our programs. The response for patients with active coverage would include the dates of the most recent coverage. So that we can respond accurately to your inquiry, please include the patient's first and last names, member ID number, as it appears on their program identification card, and their date of birth. Our real-time payer ID at Emdeon is 00232.

Pharmacy providers may also inquire about eligibility for the HAC programs by sending an NCPDP eligibility request to SXC.

Thank you for your assistance in helping the HAC provide quality and timely service to our Veterans' families by using electronic claims processing technology!

Electronic Funds Transfer

Are You Tired of Waiting to Receive Paper Checks? Would You Like to Receive Quicker Payment? Electronic Funds Transfer (EFT) Might Be For You!!

It's easy to sign up for Electronic Funds Transfer (EFT)! The money goes directly into your bank account instead of waiting for a paper check to arrive in the mail. If you would like to apply for payment via EFT, simply complete the "Payee/Company Information" and "Financial Institution" section of the SF-3881 and mail it to: Department of Veterans Affairs, Financial Services Center, PO Box 149971, Austin, TX 78714-8971. You may also fax the signed form to: (512)460-5221

Tips for Getting Your Claims to Us



Staff at the Health Administration Center (HAC) want to make sure we process your claims in the most timely and professional manner. It is for this reason we are offering our providers three

extremely helpful tips that will help us reach this goal.

Tip #1: Make sure to send your claims to the appropriate post office box.

Please address all CHAMPVA claims to:

Department of Veterans Affairs
Health Administration Center/CHAMPVA
PO Box 469064
Denver CO 80246-9064

Address all inquiries to PO Box 469063.

Tip #2: Ensure beneficiary is a member of CHAMPVA.

CHAMPVA beneficiaries are unique in that they are the dependents—spouses, children, widows or orphans—of our country's totally disabled military Veterans. Only those meeting the requirements of the CHAMPVA program can use the benefits. We are not affiliated with the TRICARE system, which is for dependents of active

duty and retired military personnel. Please make sure that your patients are CHAMPVA members by verifying that they have a CHAMPVA Identification Card.

Tip #3: Package your claims correctly.

If an envelope is thicker than one-quarter of an inch, the piece will be delayed while additional postage is calculated and applied. The postage due is charged to the HAC, and these "fat" envelopes often arrive in extremely damaged condition and are eventually returned to the provider for resubmission.

Make sure the piece has the correct USPS delivery address format:

NAME

ADDRESS—street number, direction (if any), street name, suite number

CITY, STATE ZIP+4

If you use labels, make sure all necessary information is included on them. Also, make sure your labels are on straight. Mail processing machines have trouble reading crooked or slanted information.

If you hand address pieces, do not use red ink. Postal scanners cannot "read" the color red.

These are just some things to consider when mailing claim information to the HAC. If you follow these suggestions, it will help us process your claims properly and quickly.

New Study Shows Improved Compliance Using Mail Pharmacies

A study published in September 2008 by a pharmacy benefit company looked at whether patients took their medications more reliably when they subscribed to home delivery, as opposed to having to go to a local

pharmacy to pick up ongoing prescriptions. The study found about a 7 to 8% difference in compliance between the two groups. Patients in the compliant group took at least 80% of their prescriptions, and those in the noncompliant

group took less than 80% of their prescribed medications. Compliance was measured for three classes of drugs used to treat chronic high cholesterol, diabetes and high blood pressure.

Although there was no control group in this

study, which makes it hard to draw firm conclusions, the authors did try to reduce possible bias by choosing to study health plans that do NOT allow people to choose whether they want home delivery or retail pharmacy. Each

plan offered only one option or the other. (One reason a bias could occur here is because people who choose home delivery might already be more committed to taking their medications regularly than people who have to go to the pharmacy for their refills.)

What does this mean for CHAMPVA beneficiaries?

If your patient is CHAMPVA eligible and does not have other health insurance that covers prescriptions, they should be eligible to get their ongoing maintenance medications through the Meds by Mail (MbM) program. Through MbM, patients are offered a safe, convenient way to obtain most maintenance medications free of charge and delivered directly to their home every three months. And because their medications are delivered automatically, there is more incentive for them to keep up with the supply.

As long as the patient meets all of the requirements, you, the health care provider, simply write a new prescription for a 90-day supply plus refills, not to exceed one year. Your patient will need to send this prescription, along with an MbM order form (VA form 10-0426, available online at www.va.gov/vaforms) to the correct servicing center in either Cheyenne, Wyoming (West), or Dublin, Georgia (East). Patients can determine which servicing center they will need to submit their order to by going to the MbM Web site at: www.va.gov/hac/forbeneficiaries/meds/meds.asp and clicking on their state.

MbM primarily uses generic medications when filling prescriptions. If your patient requires a brand-name medication for which a generic is available, they will need to take the prescription to their local pharmacy. If the medication does not yet have a generic equivalent, the prescription will be filled with the brand-name medication.

Please note that CHAMPVA eligible patients needing antibiotics or controlled substances should still use their local pharmacy, where they will incur a minimum charge of 25% (including an annual deductible).

If your patients DO have OHI, they should look into their primary insurance carrier's policy for home delivery. Many of them do have this service, although the patient will probably have a co-payment. But, even with a co-payment, home delivery is still usually less expensive than getting prescriptions through a retail pharmacy.

More details about the study:

Study participants had to be 18 years or older. The average age of the people who received their medications by mail was close to 70 years, and those who used retail pharmacies were around 63. Group size of patients ranged from about 7,500 to nearly 38,000. Compliance was approximately 75 percent for retail purchases of cholesterol-lowering drugs, versus nearly 82 percent for home delivery. For blood pressure-lowering drugs, the numbers were approximately 71 percent for retail and 79 percent for mail delivery. And for diabetes medications, compliance was under

63 percent for retail purchase and just over 71 percent for home-delivered. Patient compliance was measured by the medication possession ratio, which is the proportion of days patients took prescribed medications, compared with the total number of days that elapsed between prescription refills.

Both the case and comparison plans had a 3-tier flat-dollar retail benefit, but the amounts and requirements for 30- and 90-day supplies differed. There was no significant difference between the groups as to how many were new to the therapy.



BOTTOM LINE:

Encourage your patients to subscribe to home medication delivery whenever possible. Not only could it save them money, it also appears to improve compliance with treatment.

To view the article (by E Cox, Ph.D. and D Mager, MA), please see: www.express-scripts.com/industryresearch/outcomes/onlinepublications/study/homeDeliveryCompliance.pdf

Options for CHAMPVA Providers

As a CHAMPVA provider, you have several options for accessing the beneficiaries' information.

Interactive Voice Response System:

This automated self-service system is available 24 hours a day, 7 days a week. To access this tool, call 1-800-733-8387 and press 1. This system provides you the opportunity to check the beneficiaries' eligibility status (effective and termination dates), annual deductible, annual catastrophic cap and claim status (paid amount, claim number and check number). It also provides prerecorded messages about benefits, pharmacy, other health insurance information and how to file claims and appeals.

CHAT LIVE: A customer service representative is available to chat with you online at the Chat Live site from 10:00 a.m. to 6:00 p.m. Eastern Time, Monday through Friday (excluding holidays). To access the chat line, go to www.va.gov/hac/contact/contact.asp and select "Chat Live." The representative can provide general information about benefits, eligibility

and claims processing. Chat Live is a fast and easy way to receive information. The amount of information offered through Chat Live is limited, because it is not secure, and we want to ensure the beneficiaries' information is protected and remains confidential. Because the site is not secure, the customer service representative cannot ask for personal identifiable information, such as the member's name or member number. If you volunteer the member's full name and member number, with the understanding that it is not a secure site, the representative can verify eligibility, but will not be able to provide an effective date. If you provide the member's full name, member number, date of service and billed amount, again with the understanding that this is not a secure site, the representative can verify whether the claim was received, processed and completed and can tell you the claim number, how much was paid and the check number.

E-mails: It could take up to five business days to



receive a response when the inquiries are sent via the Inquiry Routing and Information System (IRIS) at iris.va.gov/scripts/iris.cfg/php.exe/enduser/home.php. Any customer service representative can provide general information about benefits, eligibility, and claims processing. E-mails can be a simple way to receive information. The amount of information we offer is limited, because we want to ensure that the beneficiaries' personal identifiable information is protected. As with the chat line, the customer service representative can provide general information about benefits, eligibility and claims processing, but cannot ask you for the

beneficiaries' personal identifiable information, such as the member's name or member number. You have the option of providing that information. If you provide the member's full name and member number, with the understanding that it is not a secure site, the representative can verify the member's eligibility, but will not be able to provide an effective date. If you provide the member's full name, member number, date of service and billed amount, the representative can verify whether the claim was received, processed and completed.

What Is an Appeal?

Introduction

When a provider or beneficiary disagrees with a CHAMPVA decision by the Health Administration Center (HAC), they can submit an appeal. All appeals must be in writing and received by the HAC within one year of the initial determination. The request must state why you believe the decision is in error and must include any new and relevant information not previously considered. Any appeal request that does not identify the reason for dispute will be returned to you without further consideration.

Addresses

General Correspondence

Health Administration Center
PO Box 469063
Denver Colorado 80246-9063

Appeals

Health Administration Center
PO Box 460948
Denver Colorado 80246-0948

What can be appealed?

All appeals are processed by the HAC, however, determinations for eligibility are processed by the Board of Veterans Appeals (BVA). All other appeal disputes are determined by the HAC.

BVA

Eligibility

HAC

Medical benefits

Preauthorization denials

Timely filing (claims and appeals)

ClaimCheck denials

Second-level mental health appeals

What cannot be appealed?

Determinations Based on Law

The CHAMPVA allowable amount

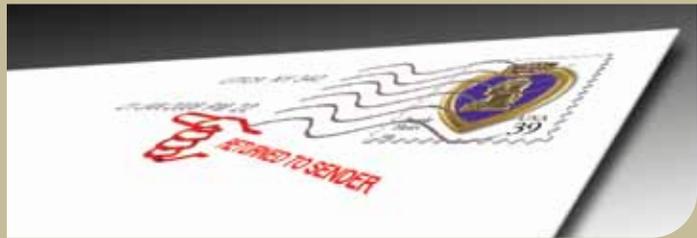
When a provider is sanctioned by the Department of Health and Human Services, or the Office of the Inspector General

The amount of an individual's cost share

The amount of an individual or family's annual deductible

Benefits specifically excluded by regulation

Sendback Letters Made Easy



In an effort to better communicate with providers, the Support Services Division of the VA Health Administration Center has revised the sendback cover letter that accompanies unverified claims that are returned to providers.

When a claim is submitted to CHAMPVA, it goes through a verification process to determine if the patient is a CHAMPVA beneficiary. When a patient's name, address, date of birth or identification number (typically the Social Security number of the patient) do not match any of our records, then we send a cover letter (termed a sendback letter) and the original claim back to the provider. This sendback letter details why the claim was not processed (e.g., name, date of birth, ID number do not match) and what further action is required, such as providing a copy of the beneficiary's CHAMPVA Identification Card, or correcting information on returned claims. In addition to indicating what information is missing from the claim, we give you a toll-free telephone number, a secured e-mail address, and VA's Web site, in case you have any questions or need additional details.

Processing our beneficiaries' claims is the top priority at CHAMPVA. When a claim is received and subsequently rejected because data points don't match, VA is not denying the claim outright, it just needs more information for the claim to be processed and paid. Our dedication to our sponsors and their beneficiaries is unwavering, and although there might be reasons for delays, it is our goal to process the claims as quickly as possible. CHAMPVA believes that being clearer about why we are returning a claim will result in resubmissions being processed more efficiently. It will also lead to a decrease in unverified claims, because providers will be better informed about what information VA requires on all claim submissions.

The changes we have made to the sendback cover letter should eliminate most of the confusion that can arise when claims are returned. It is CHAMPVA's mission to serve its sponsors and beneficiaries in the most expedient and effective manner, and the revised sendback letter is just one example of that commitment.

Optical Character Recognition

The Health Administration Center (HAC) works to improve the speed of claims processing in many ways, one of which is through a process called optical character recognition, or OCR. This procedure scans claims and preloads the data into our processing system. Because the success of this procedure hinges on the condition of the images scanned, we will be able to process your claims faster if you adhere to the following tips:

- Use Times New Roman, Courier or Arial fonts, size 10 to 12 point. This will increase the chances of the information remaining intact within the field grids during the verification procedure.
- Refrain from bolding any text, because bolding increases the chance that the scanners will merge the characters, making the text unreadable.
- Provide clearly highlighted claim information on Explanations of Benefits.
- Don't send double-sided or collated pages; doing so will increase processing time, because our scanners are designed to work only with individual pages and single-sided text.
- Claim forms that are faxed or copied cannot be OCR'd.

We recently changed our procedures to disallow OCR verification of HCFA-1500 and UB-94 claim forms. If you wish to have claims scanned using OCR, please use CMS-1500 or UB-04 claim forms.

Please keep these tips in mind when sending claims to the HAC. Following them will enable us to receive and process your claims in a timely manner.

Customer Service Center Improvements



We at CHAMPVA would like to extend our heartfelt appreciation for the care that you provide our beneficiaries. By doing so, you join us in honoring those Veterans who have sacrificed so much in service to our country.

When you call the CHAMPVA Customer Service Center for information or assistance, the first option you have is to use our Integrated Voice Response (IVR). The IVR allows you to access basic claim and eligibility information for our beneficiaries. Simply follow the self-service menu prompts. If you need more information than the IVR can provide, please select the option

to speak to a customer service representative (CSR).

Our CSRs strive to provide the most courteous, accurate and efficient service possible. With this goal in mind, there are some ways you can help us serve you. Please be ready to give the patient's Social Security number (SSN) if you have not already entered it in the IVR system at the beginning of the call. In addition

to the SSN, please be prepared to provide the date of service and the claim's billed amount. Other programs such as TRICARE use the Veteran's SSN as the patient's identification number. When you correctly enter the patient's SSN at the beginning of the call, the CSR can access the patient's information faster.

Before we can release specific medically sensitive information regarding claims and eligibility, HIPAA regulations require the CSR to ask for the following information: the caller's first name, first initial of the last name, name of the business the caller represents and the actual physical location of the caller.

Every telephone call is recorded, and CSRs make

notes in the patient's file about each call. If you are making a repeat phone call about an issue, please tell the CSR the last time you called and with whom you spoke. The issue can then be researched without as much repetition and with more accuracy.

CHAMPVA has made remarkable progress in achieving our goal of answering 95% of our calls in under three minutes. But there are times when call volume forces us to miss our standards. When this happens, you have the opportunity to use an option known as Virtual Hold®, which allows you to hang up after providing your contact information. You will receive a callback as soon as a CSR becomes available. In effect, Virtual Hold



allows you to keep your place in the call queue without actually being on hold.

In the recent past, Virtual Hold could not accommodate telephone extension numbers. We are happy to announce that the system has been improved to accept standard telephone numbers and extensions. If you use Virtual Hold and have an IVR of your own, please

provide the numeric sequence of your menu options to allow the call to navigate to your extension.

At the end of the phone call, the CSR will ask you to take a short survey. We encourage you to provide feedback so that we can continue to improve our service to you.

Resource Utilization Guidelines for Skilled Nursing Facility Billing

For many years, Medicare and TRICARE have been paying for skilled nursing facility (SNF) services, using Resource Utilization Guidelines, also known as RUGs. This payment system provides a guideline to assist in determining if the level of care provided is custodial or skilled nursing care. On October 1, 2008, CHAMPVA implemented the SNF Prospective Payment System for the reimbursement of SNF claims, which requires a provider to submit the RUG identifier with each claim.

By law, CHAMPVA is secondary payer to Medicare and other health insurance. In order for CHAMPVA to act as the primary payer for Medicare patients, the beneficiary must have exhausted their Medicare SNF benefit, and the skilled nursing care must have been provided by a Medicare

certified facility licensed by the state. Skilled nursing care is a covered benefit under the CHAMPVA program. Each episode of care will continue to be covered as long as the care is medically necessary and appropriate. The beneficiary must have a qualifying hospital stay of three consecutive days or more, not including the day of discharge. The beneficiary must enter the SNF within 30 days of discharge from the hospital. The skilled services must be for a medical condition that was either treated during a

qualifying three-day hospital stay, or started while the beneficiary was already receiving covered SNF care.

Custodial care is specifically excluded by regulation (Title 38 Code of Federal Regulations Section 17.272 (a)(10)). Custodial care is defined as care that helps patients with their activities of daily living, such as transferring from a bed to a chair or wheelchair, getting to the bathroom, getting dressed, turning over, bathing and

eating. This does not imply that the care being rendered is not required by the patient, it only means that this kind of care is not a covered CHAMPVA benefit.

If you have any questions regarding this information, please contact the CHAMPVA Customer Service Center at 303-331-7599.



Professional Anesthesia Service Claims Process

In 2007, CHAMPVA adopted a payment method similar to TRICARE's for the reimbursement of professional anesthesia services, which was derived from the Medicare Anesthesia Relative Value Guide. The guide established an allowable base unit for each anesthesia code, and time units are designated as one unit per 15 minutes of anesthesia time. Any fraction of a unit is rounded to a whole unit. For example, sixteen minutes of anesthesia time would be considered two units. In this case, two units would be added to the base to determine the total units. Payment is based on the allowable base and time units multiplied by the TRICARE anesthesia conversion factor specific to a particular locality.

The Health Administration Center's (HAC) automated claim adjudication system uses the same rates established in the TRICARE conversion factors to determine the anesthesia allowable amount for payment, which is calculated by multiplying the applicable conversion factor by the appropriate base units plus the time units for each code. Anesthesia professional claims are subject to an annual beneficiary deductible and a 25% cost share. After the patient (beneficiary) meets the annual catastrophic cap for out-of-pocket expenses, CHAMPVA pays 100% of the allowable amount.

In addition to manual data entry processes, the HAC accepts electronic claims and also uses an Optical Character Reader (OCR) to process claims. The OCR preloads selected data from the applicable fields on the Center for Medicare and Medicaid Services (CMS) billing form into the claims

processing system. For example, on CMS 1500, block 24G, the system default is set as minutes for anesthesia claims, in which case the claim could be underpaid.

To ensure that the HAC claims adjudication system pays the claim correctly the first time and to avoid delays in processing, make sure you:

1. Submit the bill on the appropriate standard billing forms CMS 1500 or UB-04.
2. Code the anesthesia service to the corresponding Current Procedural Terminology (CPT) anesthesia code.
3. Indicate the duration of the anesthesia service in minutes and ensure that the time is clearly shown on the bill.



Wounded Warrior Diaries

We want to thank all of the health professionals who care for our CHAMPVA beneficiaries. Our mission, as stated by President Abraham Lincoln, and as chiseled into the marble wall of the Lincoln Memorial in Washington, D.C., is “to care for him who shall have borne the battle and for his widow, and his orphan.” Although

the intent of the mission has been expanded to include women soldiers and their spouses and orphans, the sentiment remains. By seeing all of our patients, you are helping us keep our promise to Veterans.

If you wish to better understand what a serviceman or -woman and their families face, we invite you to view a new multimedia Web site set

up by the Department of Defense. Right now four Veterans tell their stories about their injuries and the difficult journey to recovery, and more will be added to the site. The link is: www.defenselink.mil/home/features/2008/0908_wwd/index.html

Again, thank you for doing your part.

Veteran's Profile

The Story of George Sheldon Moyle

George Sheldon Moyle enlisted as a machine gunner in the service on December 16, 1941. He went to Sheppard Field in Wichita Falls, Texas, where he received

his basic training, and was then transferred to Gray Field in Fort Lewis, Washington. He received further training at Fort Benning, Georgia, where he also received his wings.

After training, he was assigned to the 2nd Battalion, 505th Parachute, 82nd Airborne Reg. Division, Fort Bragg, North Carolina. He was shipped overseas in May 1943 and served in Tunisia, Africa and Sicily, Italy, where he saw combat.

From there he went to England and then on to France, where he participated in the Normandy Invasion. He “jumped” in June 1944 in St. Mere Eglise, France, where he was wounded. He received compound fractures on both of his legs and his feet.

On September 14, 1945, Mr. Moyle received an honorable discharge. For his exemplary service, he received the Combat Medal, the Presidential Citation, the Purple Heart and the North European Citation with three Battle Stars, the Good Conduct Medal and the Bronze Star for his service. As a result of his sacrifices he spent most of his life in and out of hospitals, and his wife is now a CHAMPVA beneficiary who you may be treating.



