HFMA Lone Star Chapter Meeting
August 17, 2012

Agenda

- Introductions & Opening Remarks
- Jurisdiction H (JH) Implementation
- Question & Answer Session
- Closing Remarks
Introductions

Who are we?

- Novitas Solutions, Inc. (Novitas), formerly Highmark Medicare Services Inc., is a wholly-owned subsidiary of Diversified Service Options, Inc. (DSO), a subsidiary of Blue Cross Blue Shield of Florida (BCBSF)

- DSO was established in 1998 for fee-for-service government business, which today includes Novitas, First Coast Service Options (FCSO), and 50% ownership in Tri-Centurion

- Novitas and its predecessor organizations have been a Medicare contractor since the inception of the Medicare Program

- Novitas currently serves as the MAC for J12 (PA, NJ, MD, DE, and DC) and the administrator of the nationwide Section 1011 contract for Federal Reimbursement of Emergency Services Provided to Undocumented Aliens

Our values

- Integrity and compliance
- Fiscal responsibility
- Operational excellence
- Continuous improvement
Introductions

- Where are we?

  - Existing Locations
    - Camp Hill - Headquarters
    - Williamsport
    - Pittsburgh
    - Hunt Valley, MD

  - New Offices
    - Jacksonville, FL
    - Milwaukee, WI
    - Dallas, TX

Introductions

A/B MAC Awards

- Novitas and FCSO (J12, JH and J9)
- Palmetto and CGS (J11, J11 and J15)
- Wisconsin Physician Services (J5 and J8)
- NGS (J11)
- Cahaba (J11)
- Nordian (J9)
- NHIC (J14)
- Protest Pending Outcome (J6)
Introductions

- Fast Facts

<table>
<thead>
<tr>
<th></th>
<th>Jurisdiction H</th>
<th>Jurisdiction 12</th>
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</thead>
<tbody>
<tr>
<td>Annual Claim Volume</td>
<td>~ 165 Million</td>
<td>~ 125 Million</td>
</tr>
<tr>
<td>% of National Workload</td>
<td>13.2</td>
<td>10.9</td>
</tr>
<tr>
<td>Annual Benefit Payments</td>
<td>~ $49 Billion</td>
<td>~ $39 Billion</td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>9.9 Million</td>
<td>8.6 Million</td>
</tr>
<tr>
<td>Part B Providers</td>
<td>155,000</td>
<td>158,000</td>
</tr>
<tr>
<td>Hospitals</td>
<td>1,285</td>
<td>543</td>
</tr>
<tr>
<td>Other Facilities</td>
<td>5,601</td>
<td>2,155</td>
</tr>
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Jurisdiction H Implementation

- Communications
  - Mission
    - Identify the processes and procedures that will ensure all stakeholders are informed of the implementation, its progress, and any impacts
  - Primary Groups
    - Professional Associations/Organizations/Providers/Billers
    - Government/Other Contractors
    - Beneficiaries/Advocacy Groups
  - Objectives
    - Straightforward
    - Effective
    - No Surprises
Jurisdiction H Implementation

- Outreach & Education
  - Medical Societies
  - Hospital Associations
  - Providers
  - Rural Provider Organizations
  - Mass Immunizer Billers
  - IHS/Tribal Billers
  - Veteran Affairs
  - Non-Physician Providers (e.g., Ambulance, Labs)
  - AAHAM/MGMA/HFMA Chapters
  - EDI Billers

Communications

- Visits to medical societies and specialty hospital associations began in mid-April; other visits throughout the jurisdiction being planned
- Website (www.Novitas-Solutions.com)
- Hardcopy Mailings
- Listservs
- Webinars/Podcasts
- Transition Consulting Teams
Jurisdiction H Implementation

- **Transition Consulting Team**
  - Represents a cross section of professional groups, providers and billers

- **Objectives**
  - Foster effective two-way communications & build relationships
  - Gain insight and feedback on issues and concerns so that they can be addressed fully
  - Promote a wider understanding in the provider and EDI communities of the transition by cascading information using in-house communication channels

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Jurisdiction H Implementation

Jurisdiction H Implementation

Find Your Cutover Date

Find State Specific Electronic Billing (EDI)

Find State Specific Information

Find Answers You Need for Electronic Billing (EDI)

Frequently Asked Questions, Send a Question and Email Lists

Important Transition and System Alerts

Indian Health Service Information Coming Soon!

JH Local Coverage Determinations (LCDs)

Frequently Asked Questions about LCDs

State Specific Transition Information

Join our State Specific Educational Events

State Specific Site

State Specific Transition Podcasts

Important State Specific Documents

Frequently Asked Questions or Send Us A Question
Jurisdiction H Implementation

- **Project Implementation Approach**
  - Dedicated Implementation Director and Transition Team with extensive transition experience
  - Conduct Operational “Due Diligence” to determine difference and impacts to fuel educational efforts and risk mitigation tactical planning – includes workload monitoring for outgoing contractors
  - Risk Mitigation & Contingency Planning
  - Project Controls & Reporting

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Jurisdiction H Implementation

- **Transition Project Team**

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## Jurisdiction H Implementation

### Implementation Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Notes</th>
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<tr>
<td>Project Initiation</td>
<td>3/22/2012</td>
<td></td>
</tr>
<tr>
<td>Transition Consulting Team Meeting #1</td>
<td>6/26/2012</td>
<td></td>
</tr>
<tr>
<td>Transition Consulting Team Meeting #2</td>
<td>8/16/2012</td>
<td></td>
</tr>
<tr>
<td>Transition Consulting Team Meeting #3</td>
<td>10/9/2012</td>
<td></td>
</tr>
<tr>
<td>Transition Consulting Team Meeting #4</td>
<td>11/16/2012</td>
<td></td>
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### Segment IV Milestones (TrailBlazer Part A)

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Proprietary and Confidential
Jurisdiction H Implementation

### Electronic Billing (EDI)
- **Key Points:**
  - Submitter number **MAY** change (<5%)
  - Logon ID and Password **WILL** be issued
  - New Payer IDs **WILL** be issued
  - RACF IDs & Passwords will **NOT** change
  - You do **NOT** have to re-enroll for EDI
  - Your DDE access will **NOT** change (Your Network Service Vendor is responsible for the connection)

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### EDI Transition Checklist

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Due Date</th>
<th>Action</th>
<th>Date Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verify your current electronic billing arrangement</td>
<td>Now</td>
<td>Determine if you are managing your billing directly or are using external agents such as clearinghouses and billing service like &quot;vendor&quot;</td>
<td></td>
</tr>
<tr>
<td>Notify / Confirm Internal Staff Vendor Awareness of the Transition</td>
<td>Now</td>
<td>Confirm those responsible for managing the EDI exchange are aware of the transition; the Novitas Solutions website; and are positioned to receive Listserv notifications.</td>
<td></td>
</tr>
<tr>
<td>Read the SmartXfr® Connectivity Guide</td>
<td>Now</td>
<td>This guide contains important information you will need to connect to SmartXfr®. Novitas Solutions’ telecommunications server.</td>
<td></td>
</tr>
<tr>
<td>Read the Version 5010 Companion Guide</td>
<td>Now</td>
<td>This guide contains important information you will need for billing electronically to Novitas Solutions.</td>
<td></td>
</tr>
<tr>
<td>View Training Modules</td>
<td>Now</td>
<td>The training modules provide beneficial instructions and information on EDI reports generated by Novitas Solutions.</td>
<td></td>
</tr>
<tr>
<td>Setup Systems to connect to SmartXfr® (Novitas’ Telecommunications Server)</td>
<td>9/17/2012</td>
<td>Using instructions and new Logon ID and Password received the prior week, ready systems to engage in Connectivity Testing and/or Early Boarding</td>
<td></td>
</tr>
<tr>
<td>Conduct Connectivity Testing</td>
<td>9/17 – 10/28/2012</td>
<td>Confirm ability to connect with Novitas’ telecommunication platform and transmit files</td>
<td></td>
</tr>
</tbody>
</table>
### Jurisdiction H Implementation

#### EDI Transition Checklist – continued

<table>
<thead>
<tr>
<th>Action</th>
<th>Due Date</th>
<th>Required Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discontinue sending production files to TrailBlazer</td>
<td>10/26/2012</td>
<td>Cease sending files to TrailBlazer after this date.</td>
</tr>
<tr>
<td>Direct EDI transactions to Novitas</td>
<td>10/27/2012</td>
<td>Transmit production files to Novitas.</td>
</tr>
<tr>
<td>Check the Novitas Transition Homepage Frequently</td>
<td>Ongoing</td>
<td>The website is frequently updated and is the repository for information about the transition.</td>
</tr>
<tr>
<td>Hold Checkpoint/Status Meeting Regularly to Review Readiness</td>
<td>Ongoing</td>
<td>Review progress and scan for issues.</td>
</tr>
<tr>
<td>Create Internal Project Plan</td>
<td>Ongoing</td>
<td>Include business partner activities as well as those internal to your operation. Don't overlook job aids and staff training.</td>
</tr>
</tbody>
</table>

### Jurisdiction H Implementation

#### Local Coverage Determinations

- **JH Local Coverage Determinations (LCDs)**
  - Created from TrailBlazer/Cahaba/Pinnacle Policies
  - Posted on 6/29/2012
  - Policies are considered final
  - Effective for claim adjudication with dates of service on and after cutover

- **LCD Reconsideration Process**
  - Instructions found on the website
  - Validity established within 30 days
  - Decision within 90 days
Jurisdiction H Implementation

- LCD Comparison/Crosswalk
  - Crosswalk allows Compare/Contrast
  - Outgoing Contractor (OGC) Specific
  - Highlights “new” policies by OGC

Jurisdiction H Implementation

- Medical Review
  - Prepayment reviews (audits) are driven by data analysis & Policy
    - Not defined at this time
  - Limited carryover (Provider-Specific) of TrailBlazer prepayment audits
  - DRG Reviews are conducted by RNs with CMD oversight
  - TrailBlazer expected to cease development for records at some point prior to cutover
Jurisdiction H Implementation

▪ Customer Service
  • Consolidated 1-800 Service
    ➢ General inquiries
    ➢ EDI
    ➢ Provider Enrollment
  • Indian Health Service/Tribal Providers
    ➢ Integrated approach across functional lines planned
  • Provider Enrollment
    ➢ Revalidation activity will resume in November
    ➢ Separate from Business-as-Usual activity

▪ Outreach & Education
  • In-Person Events
  • General Transition Newsletters
  • EDI Transition Newsletters
  • Webinars & Teleconferences
    ➢ Ask-the-Contractor Teleconference  August 7, 2012
    ➢ Ask-the-Contractor Teleconference  August 20, 2012
    ➢ Website Tour  September 18, 2012
    ➢ Website Tour  September 26, 2012
    ➢ Website Tour  October 03, 2012
    ➢ Website Tour  October 12, 2012
Jurisdiction H Implementation

- **Recovery Auditor**
  - Connolly remains the Recovery Auditor (RA)
  - Connolly is a CMS Contractor
  - Our relationship with Connolly is defined via our respective Statements of Work and a Joint Operating Agreement
  - Workgroup discussions with Connolly have began
  - Novitas’ role will mirror TrailBlazer with respect to RA activity
  - Moratorium (aka Blackout Period)
    - ± 90 Days of Cutover
    - Development for records to providers ceases July 18th
    - Last adjustment file sent to TrailBlazer on September 13th
    - For Automated Reviews, the last file submission date is July 22nd
    - Unknown as to when development to providers will begin again

- **Provider Impact Assessment**
  - New Local Coverage Determinations
  - EDI
  - EFT Form (CMS 588) required
  - Consolidated 1-800 Service
  - New Post Office box numbers
  - Suspension of provider revalidation activities until November
  - Recovery Auditor moratorium period
  - Multiple 1099s will be issued for 2012
Jurisdiction H Implementation

**Cutover**

- Novitas Solutions assumes full accountability for functions previously performed by TrailBlazer
- All files, physical as well as electronic, will be transferred to Novitas during the weekend prior to Cutover
- TrailBlazer remains the contractor of record until Cutover – do not send claims or unsolicited correspondence and inquiries to us in advance
- Detailed information concerning the Cutover will be sent about a month prior
- Beginning October 29th, Novitas becomes your Medicare Administrative Contractor

**Implementation Checklist**

- Check the JH Transition Website frequently
- Submit Electronic Funds Transfer Agreement
- Follow the EDI Checklist
- Align internal systems and training with the JH LCDs
- Develop and Manage a Comprehensive Readiness Plan
- Business-as-Usual until Cutover
- When in doubt or unsure….. Ask!
Jurisdiction H Implementation

• Project Summary
  • On Track
    ➢ Staffing
    ➢ Facilities
    ➢ Record Storage
    ➢ Deliverables
    ➢ Systems Development/Infrastructure
  • Exceptional Support from the Outgoing Contractors
  • Outreach and Education Emphasis
  • Continuous Monitoring/Adaptation

Jurisdiction H Implementation

• Audit and Reimbursement Implementation Items
  • Location of Audit and Reimbursement Offices
    ➢ Audit Offices - Jacksonville, Dallas, and Milwaukee
    ➢ Reimbursement Offices - Jacksonville
    ➢ Settlement Offices - Pittsburgh
  • Functions Performed by Area
    ➢ Audit performs tentative settlements, desk reviews, wage index, audits, and assists with reopenings & appeals
    ➢ Reimbursement performs interim rate reviews, PIP reviews, Cost to Charge reviews, and provider based determinations
    ➢ Settlement performs the acceptability review of cost report submissions, issuing NPRs and monitoring reopenings and appeals
Jurisdiction H Implementation

<table>
<thead>
<tr>
<th>Audit and Reimbursement Implementation Items - continued</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Cost Report Submission</td>
</tr>
<tr>
<td>➢ Starting with 5/31/12 year ends, you may file your cost report with Novitas if you are filing after 10/28/12. Any reports filed prior to 10/28/12 will be sent to TrailBlazer. Detailed instructions and mailing information will be provided and posted on our Transition webpage.</td>
</tr>
</tbody>
</table>

Jurisdiction H Implementation

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>• Audit Notification Process</td>
</tr>
<tr>
<td>➢ Engagement letter will be mailed four to six weeks prior to the entrance conference, and we will work with the provider around scheduling of the audit</td>
</tr>
<tr>
<td>➢ E-mail notification and communication will eventually be the preferred method of communication once this database is setup</td>
</tr>
<tr>
<td>➢ Exit conference will be tentatively scheduled during the pre-exit conference to occur within 8 weeks (or longer if extenuating circumstances arise) after all the outstanding documentation is furnished by the provider</td>
</tr>
<tr>
<td>➢ Notice to the provider that all documentation and records requested prior to and during the fieldwork time must be provided in a timely manner. Any documentation received later will not be reviewed as part of the NPR but will be subject to a later reopening</td>
</tr>
</tbody>
</table>
Jurisdiction H Implementation

- Audit and Reimbursement Implementation Items (continued)
  - Workload During the Transition Period
    - During the transition period (5/12/12 to 10/29/12) TrailBlazer remains responsible for the workload. Negotiations will take place between CMS, Novitas, and TrailBlazer to determine what workloads should be completed by the cutover date.
  - Unresolved Work at Cutover Date
    - Workload (including acceptances, tentatives, desk reviews, audits, reopenings, appeals, and rate reviews) is being monitored on a weekly basis by TrailBlazer, Novitas, and CMS.
    - Open or unresolved workload will become the responsibility of Novitas as of the cutover date. We will work with TrailBlazer to identify and understand work in process including joint scheduling order (JSO) deadlines.

Jurisdiction H Implementation

- Audit and Reimbursement Implementation Items - continued
  - Novitas Audit Scheduling
    - The final rule has come out on the settlement of FY ’06 – ’09 cost reports impacted by the SSI ratio hold. Our priority will be on the settlement of these cost reports per the CR 7814 after cutover.
    - TrailBlazer will start finalizing SSI held cost reports and continue this through transition
    - We will address the audits of the 12/31/10 cost report year with CMS as part of our workload plan in the 2012 – 2013 period
  - Unresolved Reopenings, Appeals, and JSO Dates
    - Our expectation is that any agreed upon due dates, deadlines, and JSOs will remain in place and will remain the expectation upon the provider and Novitas, unless CMS directs us differently
Jurisdiction H Implementation

- Contact Information
  - David Vaughan, Vice President and JH Project Manager
    - 717-302-3709
    - David.Vaughan@HighmarkMedicareServices.com
  - Steve Holubowicz, Director, JH Provider Audit
    - 414-550-1294
    - Steve.Holubowicz@HighmarkMedicareServices.com
  - Denise Church, Manager, Provider Outreach and Education
    - 412-802-1739
    - Denise.Church@HighmarkMedicareServices.com

Question & Answer Session
Question & Answer Session

Q: With DRG 470, do you have a list of what is acceptable and non-acceptable for the documentation physician need to have it documented in the hospital chart specifically?

A: The office notes (and any other clinical notes related to the service) should be submitted to us for review when requested. It is acceptable for the hospital to incorporate the primary care physician's notes, physical therapy notes, joint x-rays, or any other documentation from providers that treated the patient as it relates to the joint replacement surgery into their own record. It is important to clearly document that conservative treatment (e.g., physical therapy) was attempted first or explain why the patient could not tolerate such treatment or why it was otherwise contraindicated for the patient. Novitas' recently published bulletin on TJR outlines our documentation requirements with respect to DRG 470. The article can be found at:


Question & Answer Session

Q: We are constantly getting adjustments on our remittance advices, RAC, outliers etc. But there are a few adjustments that we are not able to tell what they are for and we call and never receive a call back. Will there be a better description of what the adjustment is for? If not what number can we call to get questions like that answered? If we have to leave a voicemail will it be returned? If it is not returned what do we do?

A: By calling our single toll free number, you will be able to discuss questions related to RAC adjustments, and various other inquiries. Our toll free number provides access to customer service representatives from 8:00am to 4:00pm (Monday-Friday) in your specific time zone. Novitas does utilize a voice mail system for inquiries, but provides immediate assistance either through our IVR or our customer service representative team. The scenario outlined in your comment involving unanswered voice messages does not occur with our approach.