

Section 1: Introduction

Blue Shield Hospital and Facility Guidelines

This page intentionally left blank.

Table of Contents

Purpose of the Hospital and Facility Guidelines.....	1
Manual Orders and Updates.....	1
Enrollment and Eligibility.....	2
Premium Payment Policy.....	2
Blue Shield Enrollment Responsibilities to Members on the Exchange.....	3
Retroactive Cancellation/Ineligible Member.....	3
Member Rights and Responsibilities – Blue Shield HMO and PPO Commercial Members.....	4
Statement of Member Rights.....	4
Statement of Member Responsibilities.....	5
Member Rights and Responsibilities – Blue Shield Medicare 65 Plus.....	6
Member Grievance Process.....	18
Definitions.....	19
Blue Shield Commercial Policy.....	20
Blue Shield Medicare Advantage Plan Policy.....	21
Standard Review Process.....	22
Expedited Review.....	22
External Review.....	23
External Exception Review.....	23
Contacting the Appeals and Grievance Department.....	23
Fraud Prevention.....	24
Provider Audits.....	25
Fraud, Waste, and Abuse.....	26
Medicare Compliance and Fraud, Waste, and Abuse Training Requirements.....	28
Blue Shield’s Code of Conduct and Corporate Compliance Program.....	29
Privacy and Security.....	29
Privacy and Security Risks of Medical Devices.....	30
Blue Shield Medicare Advantage Program Overview.....	31
Blue Shield Medicare Advantage Compliance Program.....	32
Auditing and Monitoring.....	34
Confirmation of Eligibility of Participation in the Medicare Program.....	35
Healthcare Regulatory Agencies.....	36
California Department of Insurance (CDI).....	36
California Department of Managed Health Care (DMHC).....	36
Centers for Medicare & Medicaid Services (CMS).....	37

Section 1: Introduction

This page intentionally left blank.

Purpose of the Hospital and Facility Guidelines

The *Hospital and Facility Guidelines* describe the Blue Shield of California (Blue Shield) administrative guidelines, policies, and procedures for hospitals and ancillary facilities that have signed an agreement with Blue Shield to participate as a network facility.

Section 6: Capitated Hospital Requirements contains information applicable to only capitated hospitals (i.e., those hospitals that have Blue Shield capitated payment arrangements).

This *Hospital and Facility Guidelines* replaces and supersedes all previous versions of the manual that may have been received or viewed online before this issue date.

Manual Orders and Updates

Go to Provider Connection at blueshieldca.com/provider and click on *Guidelines & resources*, then *Provider manuals* to view and download a copy of the *Hospital and Facility Guidelines*.

To request that a PDF version of the manual be emailed to you or mailed to you in CD format, email providermanuals@blueshieldca.com or contact Provider Information & Enrollment at (800) 258-3091.

This manual is updated at least annually, in January.

Section 1: Introduction

Enrollment and Eligibility

For routine eligibility verification, the provider may:

- Log onto Provider Connection at blueshieldca.com/provider for current and historical eligibility and benefit information that is updated daily.
- Use the Member Services toll-free number listed on the member's ID card.

If eligibility cannot be verified, the provider should obtain written verification that the member agrees to accept financial responsibility if not eligible for Blue Shield coverage.

The provider may use his/her own office form or Blue Shield's Acknowledgment of Financial Responsibility Form for this purpose. A copy of this form can be found on Provider Connection at blueshieldca.com/provider under *Guidelines & resources, Forms*, then *Patient care forms*.

Premium Payment Policy

The member is responsible for payment of premiums to Blue Shield. Blue Shield does not accept direct or indirect payments of premiums from any person or entity other than the member, his or her family members or a legal guardian, or an acceptable third party payor, which are:

- Ryan White HIV/AIDS programs under Title XXVI of the Public Health Services Act;
- Indian tribes, tribal organizations or urban Indian organizations;
- A lawful local, state, or federal government program, including a grantee directed by a government program to make payments on its behalf; and
- Bona fide charitable organizations and organizations related to the member (*e.g.*, church or employer) when all of the following criteria are met: payment of premiums is guaranteed for the entire plan year; assistance is provided based on defined financial status criteria and health status is not considered; the organization is unaffiliated with a healthcare provider; and the organization has no financial interest in the payment of a health plan claim. (Financially interested institutions/organizations include institutions/organizations that receive the majority of their funding from entities with a financial interest in the payment of health insurance claims, or institutions/organizations that are subject to direct or indirect control of entities with a financial interest in the payment of health insurance claims.)

Upon discovery that premiums were paid directly or indirectly by a person or entity other than the member or an acceptable third party payor, Blue Shield has the right to reject the payment and inform the member that the payment was not accepted and that the premiums remain due. Payment of member premiums by a Blue Shield contracted provider represents a material breach of the provider's agreement. Please note that processing any payment does not waive Blue Shield's right to reject that payment and future payments under this policy.

Enrollment and Eligibility *(cont'd.)*

Blue Shield Enrollment Responsibilities to Members on the Exchange

Under the Patient Protection and Affordable Care Act (PPACA) for Exchange-purchased individual insurance policies eligible for premium subsidies, when premiums/dues are not received from members, there will be a three-month (90-day) delinquency period. During this grace period, Blue Shield may not disenroll delinquent members but may suspend claims payments unless and until member premiums are received in full. See Section 4: Special Billing Situations for Blue Shield's responsibilities regarding unpaid premiums for Exchange members.

Retroactive Cancellation/Ineligible Member

Should the hospital or facility provide authorized covered services in reasonable reliance upon verification of a patient's eligibility provided by Blue Shield, and the patient is subsequently determined not to have been a member at the time services were provided, Blue Shield's compensation for such services will be at the rates set forth in the contract with Blue Shield, less amounts, if any, due to the hospital or facility from any other health care service plan, insurer or third party payor (including Medicare) by which the patient is covered. If the patient was covered by another health plan during the time period involved and the service is covered by that health plan, insurer, or third party payor, hospitals or facilities must first bill the other payor for those services. If no payment is received from or the claim is denied by the other carrier, please submit a copy of the other carrier's claim determination (e.g., letter or EOB) to Blue Shield.

If the hospital or facility fails to verify the patient's eligibility in accordance with this manual, Blue Shield shall have no obligation to compensate the hospital or facility for any services provided to patients who are not members at the time such services are rendered.

This provision does not apply to BlueCard Host, Medicare Advantage, and the Federal Employee Program.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield HMO and PPO Commercial Members

Blue Shield has established Member Rights and Responsibilities that all Blue Shield members receive in their *Evidence of Coverage (EOC)* or *Certificate of Insurance (COI)*. The information below is taken from the Members EOC/COI.

Statement of Member Rights

Blue Shield health plan members have the right to:

Receive considerate and courteous care, with respect for your right to personal privacy and dignity.

1. Receive information about all health services available to you, including a clear explanation of how to obtain health services.
2. Receive information about your rights and responsibilities.
3. Receive information about your Blue Shield plan, the services we offer you, the Physicians and other Health Care Providers available to care for you.
4. Select a PCP and expect their team to provide or arrange for all the care that you need (HMO members only).
5. Have reasonable access to appropriate medical and mental health services.
6. Participate actively with your physician or PCP in decisions regarding your medical and mental health care. To the extent the law permits, you also have the right to refuse treatment.
7. A candid discussion of appropriate or Medically Necessary treatment options for your condition, regardless of cost or Benefit coverage.
8. An explanation of your medical or mental health condition, and any proposed, appropriate or Medically Necessary treatment alternatives, so you can make an informed decision before you receive treatment. This includes available success/outcomes information, regardless of cost of Benefit Coverage.
9. Receive Preventive Health Services.
10. Know and understand your medical or mental health condition, treatment plan, expected outcome, and the effects these have on your daily living.
11. Have confidential health records, except when the law requires or permits disclosure. With adequate notice, you have the right to review your medical record with your Physician or PCP.
12. Communicate with, and receive information, from Customer Services in a language you can understand.
13. Know about any transfer to another Hospital, including information as to why the transfer is necessary and any alternatives available.
14. Be fully informed about the complaint and grievance process and understand how to use it without the fear of interruption in your health care.
15. Voice complaints or appeals about your Blue Shield plan or the care provided to you.
16. Make recommendations on Blue Shield's member rights and responsibilities policies.

Member Rights and Responsibilities – Blue Shield HMO and PPO Commercial Members *(cont'd.)*

Statement of Member Responsibilities

Blue Shield health plan members have the responsibility to:

1. Carefully read all Blue Shield health plan materials immediately after you are enrolled so you understand how to:
 - a. Use your benefits;
 - b. Minimize your out-of-pocket costs; and
 - c. Follow the provisions of your health plan as explained in the *Evidence of Coverage or Health Service Agreement*.
2. Maintain your good health and prevent illness by making positive health choices and seeking appropriate care when you need it.
3. Provide, to the extent possible, information needed to provide appropriate care.
4. Understand your health problems and take an active role in developing treatment goals with your Physician or PCP, whenever possible.
5. Follow the treatment plans and instructions you and your Physician or PCP agree to and consider the potential consequences if you refuse to comply with treatment plans or recommendations.
6. Ask questions about your medical or mental health condition and make certain that you understand the explanations and instructions you are given.
7. Make and keep medical and mental health appointments and inform your Health Care Provider ahead of time when you must cancel.
8. Communicate openly with your Physician or PCP so you can develop a strong partnership based on trust and cooperation.
9. Offer suggestions to improve the Blue Shield plan.
10. Help Blue Shield maintain accurate and current medical records by providing timely information regarding changes in your address, family status, and other plan coverage.
11. Notify Blue Shield as soon as possible if you are billed inappropriately or if they have any complaints or grievances.
12. Treat all Blue Shield personnel respectfully and courteously.
13. Pay your Premiums, Copayments, Coinsurance and charges for non-covered Services in full and on time.
14. Follow the provisions of the Blue Shield Medical Management Programs.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus

All Blue Shield Medicare 65 Plus plan members receive in their *Evidence of Coverage (EOC)* a Statement of Member Rights and Responsibilities. The information below is taken from the Blue Shield 65 Plus (HMO) plan EOC.

We must provide information in a way that works for you (in languages other than English, in large print, in braille or other alternate formats, etc.)

To get information from us in a way that works for you, please call Customer Care at (800) 776-4466 [TTY 711] 8 a.m. to 8 p.m. seven days a week, year-round.

Our plan has people and free language interpreter services available to answer questions from disabled and non-English speaking members. We can also give you information in braille, large print, or other alternate formats at no cost if you need it. We are required to give you information about the plan's benefits in a format that is accessible and appropriate for you. To get information from us in a way that works for you, please call Customer Care.

If you have any trouble getting information from our plan in a format that is accessible and appropriate for you, please call to file a grievance with:

Blue Shield of California Civil Rights Coordinator

P.O. Box 629007 El Dorado Hills, CA 95762-9007

Phone: (844) 831-4133 (TTY: 711) Fax: (844) 696-6070

Email: BlueShieldCivilRightsCoordinator@blueshieldca.com

You may also file a complaint with Medicare by calling 1-800-MEDICARE (1-800-633-4227) or directly with the Office for Civil Rights. Contact information is included in this Evidence of Coverage or with this mailing, or you may contact Customer Care.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus *(cont'd)*

We must ensure that you get timely access to your covered services and drugs.

As a member of our plan, you have the right to choose a primary care physician (PCP) in the plan's network to provide and arrange for your covered services. Call Customer Care to learn which doctors are accepting new patients. You also have the right to go to a women's health specialist (such as a gynecologist) without a referral.

As a plan member, you have the right to get appointments and covered services from the plan's network of providers within a reasonable amount of time. This includes the right to get timely services from specialists when you need that care. You also have the right to get your prescriptions filled or refilled at any of our network pharmacies without long delays.

If you think that you are not getting your medical care or Part D drugs within a reasonable amount of time, please refer to Chapter 9, Section 10 of the EOC for details on what you can do. (If we have denied coverage for your medical care or drugs and you don't agree with our decision, Chapter 9, Section 4 tells what you can do.)

We must protect your privacy.

Federal and state laws protect the privacy of your medical records and protected health information. We protect your protected health information as required by these laws.

Your "protected health information" includes the personal information you gave us when you enrolled in this plan as well as your medical records and other medical and health information.

The laws that protect your privacy give you rights related to getting information and controlling how your health information is used. We give you a written notice, called a "Notice of Privacy Practice" that tells about these rights and explains how we protect the privacy of your health information.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd)

How do we protect the privacy of your health information?

- We make sure that unauthorized people don't see or change your records.
- In most situations, if we give your health information to anyone who isn't providing your care or paying for your care, we are required to get written permission from you first. Written permission can be given by you or by someone you have given legal power to make decisions for you.
- There are certain exceptions that do not require us to get your written permission first. These following exceptions are allowed or required by law:
 - For example, we are required to release health information to government agencies that are checking on quality of care.
 - Because you are a member of our plan through Medicare, we are required to give Medicare your health information including information about your Part D prescription drugs. If Medicare releases your information for research or other uses, this will be done according to federal statutes and regulations.

You can see the information in your records and know how it has been shared with others

You have the right to look at your medical records held at the plan, and to get a copy of your records. We are allowed to charge you a fee for making copies. You also have the right to ask us to make additions or corrections to your medical records. If you ask us to do this, we will work with your healthcare provider to decide whether the changes should be made.

You have the right to know how your health information has been shared with others for any purposes that are not routine.

If you have questions or concerns about the privacy of your protected health information, please call Customer Care.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd)

We are always committed to protecting the privacy of your personal and health information. Our Notice of Privacy Practices describes both your privacy rights as a member and how we protect your personal and health information. To obtain a copy of our privacy notice, you can:

1. Go to blueshieldca.com and click the *Privacy* link at the bottom of the homepage and print a copy.
2. Call the Customer Care phone number on your Blue Shield member ID card to request a copy.
3. Call the Blue Shield of California Privacy Office toll-free at (888) 266-8080 (TTY 711), 8 a.m. to 3 p.m., Monday through Friday.
4. Email us at privacy@blueshieldca.com

We must give you information about the plan, its network of providers, and your covered services.

As a member of Blue Shield 65 Plus, you have the right to get information from us in a way that works for you, including getting the information in languages other than English, in large print, or other alternate formats, such as:

- Information about our plan. This includes, for example, information about the plan's financial condition. It also includes information about the number of appeals made by members and the plan's Star ratings, including how it has been rated by plan members and how it compares to other Medicare health plans.
- Information about our network providers including our network pharmacies.
 - For example, you have the right to get information from us about the qualifications of the providers and pharmacies in our network and how we pay the providers in our network.
 - For a list of the providers in the plan's network, see the Provider Directory.
 - For a list of the pharmacies in the plan's network, see the Pharmacy Directory.
 - For more detailed information about our providers or pharmacies, you can call Customer Care or visit our website at blueshieldca.com/find-a-doctor.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd)

- Information about your coverage and the rules you must follow when using your coverage.
 - In Chapters 3 and 4 of the EOC we explain what medical services are covered for you, any restrictions to your coverage, and what rules you must follow to get your covered medical services.
 - To get the details on your Part D prescription drug coverage, see Chapters 5 and 6 of the EOC plus the plan's List of Covered Drugs (Formulary). These chapters, together with the List of Covered Drugs (Formulary), tell you what drugs are covered and explain the rules you must follow and the restrictions to your coverage for certain drugs.
 - If you have questions about the rules or restrictions, please call Customer Care.
- Information about why something is not covered and what you can do about it.
 - If a medical service or Part D drug is not covered for you, or if your coverage is restricted in some way, you can ask us for a written explanation. You have the right to this explanation even if you received the medical service or drug from an out-of-network provider or pharmacy.
 - If you are not happy or if you disagree with a decision we make about what medical care or Part D drug is covered for you, you have the right to ask us to change the decision. You can ask us to change the decision by making an appeal. For details on what to do if something is not covered for you in the way you think it should be covered, see Chapter 9 of the EOC. It gives you the details how to make an appeal if you want us to change our decision. (Chapter 9 in the EOC also tells about how to make a complaint about quality of care, waiting times, and other concerns.)
 - If you want to ask our plan to pay our share of a bill you have received for medical care or a Part D prescription drug, see Chapter 7 of the EOC.

We must support your right to make decisions about your care.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd)

You have the right to know your treatment options and participate in decisions about your health care.

You have the right to get full information from your doctors and other health care providers when you go for medical care. Your providers must explain your medical condition and your treatment choices in a way that you can understand.

You also have the right to participate fully in decisions about your health care. To help you make decisions with your doctors about what treatment is best for you, your rights include the following:

- **To know about all of your choices.** This means that you have the right to be told about all of the treatment options that are recommended for your condition, no matter what they cost or whether they are covered by our plan. It also includes being told about programs our plan offers to help members manage their medications and use drugs safely.
- **To know about the risks.** You have the right to be told about any risks involved in your care. You must be told in advance if any proposed medical care or treatment is part of a research experiment. You always have the choice to refuse any experimental treatments.
- **The right to say “no.”** You have the right to refuse any recommended treatment. This includes the right to leave a hospital or other medical facility, even if your doctor advises you not to leave. You also have the right to stop taking your medication. Of course, if you refuse treatment or stop taking medication, you accept full responsibility for what happens to your body as a result.
- **To receive an explanation if you are denied coverage for care.** You have the right to receive an explanation from us if a provider has denied care that you believe you should receive. To receive this explanation, you will need to ask us for a coverage decision. Chapter 9 of the EOC explains how to ask the plan for a coverage decision.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

You have the right to give instructions about what is to be done if you are not able to make medical decisions for yourself.

Sometimes people become unable to make health care decisions for themselves due to accidents or serious illness. You have the right to say what you want to happen if you are in this situation. This means that, if you want to, you can:

- Fill out a written form to give **someone the legal authority to make medical decisions for you** if you ever become unable to make decisions for yourself.
- **Give your doctors written instructions** about how you want them to handle your medical care if you become unable to make decisions for yourself.

The legal documents that you can use to give your directions in advance in these situations are called **"advance directives."** There are different types of advance directives and different names for them. Documents called **"living will"** and **"power of attorney for health care"** are examples of advance directives.

If you want to use an "advance directive" to give your instructions, here is what to do:

- **Get the form.** If you want to have an advance directive, you can get a form from your lawyer, from a social worker, or from some office supply stores. You can sometimes get advance directive forms from organizations that give people information about Medicare. You can also contact Customer Care to ask for the forms.
- **Fill it out and sign it.** Regardless of where you get this form, keep in mind that it is a legal document. You should consider having a lawyer help you prepare it.
- **Give copies to appropriate people.** You should give a copy of the form to your doctor and to the person you name on the form as the one to make decisions for you if you can't. You may want to give copies to close friends or family members as well. Be sure to keep a copy at home.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

If you know ahead of time that you are going to be hospitalized, and you have signed an advance directive, **take a copy with you to the hospital.**

- If you are admitted to the hospital, they will ask you whether you have signed an advance directive form and whether you have it with you.
- If you have not signed an advance directive form, the hospital has forms available and will ask if you want to sign one.

Remember, it is your choice whether you want to fill out an advance directive (including whether you want to sign one if you are in the hospital). According to law, no one can deny you care or discriminate against you based on whether or not you have signed an advance directive.

What if your instructions are not followed?

If you have signed an advance directive, and you believe that a doctor or hospital hasn't followed the instructions in it, you may file a complaint with Livanta. See Chapter 2, Section 4 of the EOC for contact information.

You have the right to make complaints and to ask us to reconsider decisions we have made.

If you have any problems or concerns about your covered services or care, Chapter 9 of the EOC tells what you can do. It gives the details about how to deal with all types of problems and complaints. What you need to do to follow up on a problem or concern depends on the situation. You might need to ask our plan to make a coverage decision for you, make an appeal to us to change a coverage decision, or make a complaint. Whatever you do – ask for a coverage decision, make an appeal, or make a complaint – **we are required to treat you fairly.**

You have the right to get a summary of information about the appeals and complaints that other members have filed against our plan in the past. To get this information, please call Customer Care.

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

What can you do if you think you are being treated unfairly or your rights are not being respected?

If it is about discrimination, call the Office for Civil Rights.

If you think you have been treated unfairly or your rights have not been respected due to your race, disability, religion, sex, health, ethnicity, creed (beliefs), age, or national origin, you should call the Department of Health and Human Services' **Office for Civil Rights** at (800) 368-1019, TTY (800) 537-7697, or call your local Office for Civil Rights.

Is it about something else?

If you think you have been treated unfairly or your rights have not been respected, and it's not about discrimination, you can get help dealing with the problem you are having:

- You can **call Customer Care**.
- You can call the **State Health Insurance Assistance Program**. For details about this organization and how to contact it, go to Chapter 2, Section 3.
- Or, **you can call Medicare** at 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

How to get more information about your rights.

There are several places where you can get more information about your rights:

- You can **call Customer Care**.
- You can **call the SHIP**. For details about this organization and how to contact it, go to Chapter 2, Section 3.
- You can contact **Medicare**.
 - You can visit the Medicare website to read or download the publication "Medicare Rights & Protections." (The publication is available at: www.medicare.gov/Pubs/pdf/11534-Medicare-Rights-and-Protections.pdf.)
 - Or, you can call 1-800-MEDICARE (1-800-633-4227) 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

You have some responsibilities as a member of the plan

What are your responsibilities?

Things you need to do as a member of the plan are listed below. If you have any questions, please call Customer Care. We're here to help.

Get familiar with your covered services and the rules you must follow to get these covered services. Use the EOC to learn what is covered for you and the rules you need to follow to get your covered services.

- Chapters 3 and 4 give the details about your medical services, including what is covered, what is not covered, rules to follow, and what you pay.
- Chapters 5 and 6 give the details about your coverage for Part D prescription drugs.

If you have any other health insurance coverage or prescription drug coverage in addition to our plan, you are required to tell us. Please call Customer Care to let us know.

- We are required to follow rules set by Medicare to make sure that you are using all of your coverage in combination when you get your covered services from our plan. This is called "**coordination of benefits**" because it involves coordinating the health and drug benefits you get from our plan with any other health and drug benefits available to you. We'll help you coordinate your benefits. (For more information about coordination of benefits, go to Chapter 1, Section 10.)

Section 1: Introduction

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

Tell your doctor and other health care providers that you are enrolled in our plan. Show your plan membership card whenever you get your medical care or Part D prescription drugs.

Help your doctors and other providers help you by giving them information, asking questions, and following through on your care.

- To help your doctors and other health providers give you the best care, learn as much as you are able to about your health problems and give them the information they need about you and your health. Follow the treatment plans and instructions that you and your doctors agree upon.
- Make sure your doctors know all of the drugs you are taking, including over-the-counter drugs, vitamins, and supplements.
- If you have any questions, be sure to ask. Your doctors and other health care providers are supposed to explain things in a way you can understand. If you ask a question and you don't understand the answer you are given, ask again.

Be considerate. We expect all our members to respect the rights of other patients. We also expect you to act in a way that helps the smooth running of your doctor's office, hospitals, and other offices.

Pay what you owe. As a plan member, you are responsible for these payments:

- In order to be eligible for our plan, you must have Medicare Part A and Medicare Part B. Some plan members must pay a premium for Medicare Part A. Most plan members must pay a premium for Medicare Part B to remain a member of the plan.
- For most of your medical services or drugs covered by the plan, you must pay your share of the cost when you get the service or drug. This will be a copayment (a fixed amount) or coinsurance (a percentage of the total cost). Chapter 4 tells what you must pay for your medical services. Chapter 6 tells what you must pay for your Part D prescription drugs.
 - If you get any medical services or drugs that are not covered by our plan or by other insurance you may have, you must pay the full cost.
 - If you disagree with our decision to deny coverage for a service or drug, you can make an appeal. Please see Chapter 9 for information about how to make an appeal.
- If you are required to pay a late enrollment penalty, you must pay the penalty to keep your prescription drug coverage.

If you are required to pay the extra amount for Part D because of your yearly income, you must pay the extra amount directly to the government to remain a member of the plan.

Member Rights and Responsibilities – Blue Shield Medicare 65 Plus (cont'd.)

Tell us if you move. If you are going to move, it's important to tell us right away. Call Customer Care.

- **If you move outside of our plan service area, you cannot remain a member of our plan.** (Chapter 1 tells about our service area.) We can help you figure out whether you are moving outside our service area. If you are leaving our service area, you will have a Special Enrollment Period when you can join any Medicare plan available in your new area. We can let you know if we have a plan in your new area.
- **If you move within our service area, we still need to know** so we can keep your membership record up to date and know how to contact you.
- If you move, it is also important to tell Social Security (or the Railroad Retirement Board). You can find phone numbers and contact information for these organizations in Chapter 2.

Call Customer Care for help if you have questions or concerns. We also welcome any suggestions you may have for improving our plan.

- Phone numbers and calling hours for Customer are printed on the back cover of this booklet.
- For more information on how to reach us, including our mailing address, please see Chapter 2.

Section 1: Introduction

Member Grievance Process

Blue Shield administers the investigation of member grievances. This process follows a standard set of policies and procedures for the resolution of member grievances. The process also encourages communication and collaboration on grievance issues among various Blue Shield departments and functional areas. Blue Shield requests that contracted hospitals and physicians become familiar with the member grievance process and suggest members use it.

Although it is inadvisable to require patients to sign arbitration agreements as a condition of providing medical care, providers may choose to enter into arbitration agreements with Blue Shield plan members, providing the agreement to arbitrate fully complies with the California Code of Civil Procedure (CCP) Section 1295 including the important provision that the patient is permitted to rescind the arbitration agreement in writing within 30 days of signature, even when medical services have already been provided.

Blue Shield encourages members to resolve their grievances with their Blue Shield providers. If this is not possible, members, member representatives, or an attorney or provider on the member's behalf, may contact their Customer Service representatives for initiation of the grievance process.

A member's grievance is defined as any of the following:

- Access to Care/Potential Quality Issue (PQI)
- Appeal- Standard or Expedited
- Complaint

Member Grievance Process *(cont'd.)*

Definitions

Potential Quality Issue (PQI) – Any suspected deviation from expected provider or health plan performance that deals with the quality of care and/or the quality of service provided by any provider related to any Blue Shield or Blue Shield Life enrollee's care or treatment, regardless of line of business. Possible examples include but are not limited to those listed below. PQIs can be categorized as followed:

- Access to Care
- Referral/Authorization Procedures
- Communication issues
- Provider/Staff Behavior
- Coordination of Care
- Technical Competence or Appropriateness
- Facility/Office Environment

Appeal – A request to the health plan for reconsideration of an initial determination resulting in a denial of service, benefit, or claim. Appeals may also include reduction of benefit, claim payment, redirection of service or benefits, delay of prospective authorization for service or benefits or eligibility related denials.

Complaint – An expression of dissatisfaction with a provider, provider group, vendor, or health plan that does not have a clinical aspect or claims monetary component to the issue.

Expedited Review – Any denial, termination, or reduction in care, where the member feels that the determination was inappropriate and the routine decision making process might seriously jeopardize the life or health of the member, or when the member is experiencing severe pain. The expedited review process requires resolution and response to the member as soon as possible to accommodate the member's condition not to exceed 72 hours of the member's initial request. The member, his/her representative, or his/her physician on behalf of the member may file this request.

Section 1: Introduction

Member Grievance Process *(cont'd.)*

Blue Shield Commercial Policy

All Blue Shield commercial members receive in their *Evidence of Coverage* or *Certificate of Insurance* a Statement of Member Rights and Responsibilities.

Members, member representatives, or an attorney or provider on the member's behalf, may file a grievance by contacting Blue Shield's Customer Service Department in writing, by telephone, or by submitting a completed Grievance Form online at blueshieldca.com. Blue Shield researches and investigates all grievances and, as appropriate, the Blue Shield Medical Director may review a grievance.

In compliance with the State Department of Managed Health Care (DMHC), California Department of Insurance (CDI), legislative requirements, and National Committee for Quality Assurance (NCQA), Blue Shield will resolve all member grievances within 30 calendar days of receipt.

When appropriate, Blue Shield will send copies of the member's correspondence to the provider and request that he/she review and respond in writing to the Blue Shield Medical Director.

Member Grievance Process (*cont'd.*)

Blue Shield Medicare Advantage Plan Policy

All Blue Shield Medicare Advantage plan¹ members receive in their *Evidence of Coverage* a Statement of Member Rights and Responsibilities. If a Blue Shield Medicare Advantage plan member asks about filing a grievance, complaint, or appeal, the member should be referred to Blue Shield Medicare Advantage Member Services.

The Blue Shield Medicare Advantage Appeals and Grievance Resolution Department will acknowledge receipt of the member's concern within five calendar days and provide the member with the name of the person working on their concern. The complaint will normally be resolved within 30 days of receipt. If not resolved, the member will be provided with a progress report every 31 days. Post service appeals (claims) are resolved within 60 days.

If the member is not satisfied with the initial resolution of the grievance or complaint, the member may file a written request for a grievance meeting. If the member is not satisfied with the proposed resolution after a grievance meeting, a formal grievance hearing may be requested and held within 31 days of receipt of written request. Contracted providers may be requested by the Blue Shield Medicare Advantage Appeals and Grievance Resolution Department to respond in writing to a member's issues.

All grievances are researched and investigated by the Blue Shield Medicare Advantage Appeals and Grievance Resolution Department, and, as appropriate, reviewed by a Blue Shield Medical Director. Medicare policy, such as Medicare National Coverage Determinations (NCDs) and Local Coverage Determinations (LCDs), must be applied in the review of appeals by Blue Shield Medicare Advantage plan members.

If a member, member representative, or physician files a grievance, appeal or complaint, providers may be required to provide medical records for review as part of the review process. As a Blue Shield contracted provider, you are responsible for the maintenance of a member's medical records and the timely submission of any and all requested documentation considered as part of the review process.

¹ When the manual references Blue Shield Medicare Advantage plan, it refers to Blue Shield's Medicare Advantage plans; Blue Shield 65 Plus (HMO), Blue Shield Plus Choice Plan (HMO), Blue Shield Inspire (HMO), Blue Shield Vital (HMO), and Blue Shield Medicare (PPO).

Section 1: Introduction

Member Grievance Process *(cont'd.)*

Standard Review Process

The standard review process for member grievances allows a 30-calendar day period of resolution from the date the grievance is received by Blue Shield to the time the member is informed of the decision. When the grievance is received, Blue Shield will acknowledge receipt of the member's grievance within 5 calendar days of receipt and provide the member with the name of a person to contact regarding their grievance. Generally, the member must participate in Blue Shield's grievance process for 30 calendar days before submitting a complaint to the DMHC or CDI. However, the DMHC or CDI can waive this requirement in "extraordinary and compelling cases." In these events, Blue Shield has five days to respond to the grievance. The Blue Shield grievance process allows members to file grievances within 180 days following any incident or action that is the subject of the enrollee's dissatisfaction.

Expedited Review

In keeping with the Knox Keene Act, Blue Shield provides an expedited review process in those circumstances where a member believes that his/her health or ability to function could be seriously harmed by waiting the 30 calendar days for a standard grievance. There are specific criteria that must be met in order for a grievance to be considered expedited. If there is a question as to whether a specific grievance qualifies for expedition, the member, member representative, or an attorney or provider on behalf of the member may contact Customer Services and request an expedited review. If the grievance meets the expedited criteria, the case will be handled within the expedited review process. If the grievance does not meet the criteria, the member will be informed of this decision and the review will be conducted under the standard review process guidelines. The expedited review process requires resolution and response to the member as soon as possible to accommodate the member's condition not to exceed 72 hours of the member's initial request. The member, his/her representative, attorney or physician on behalf of the member may file this request. The Blue Shield grievance process allows members to file grievances within 180 days following any incident or action that is the subject of the enrollee's dissatisfaction.

Member Grievance Process *(cont'd.)*

External Review

If a member's grievance involves a claim or services for which coverage was denied in whole or in part by Blue Shield on the grounds that the service is not medically necessary or is experimental/investigational (including the external review available under the Friedman-Knowles Experimental Treatment Act of 1996), the member may choose to have the matter submitted to an independent agency for external review in accordance with California law. The member normally must first submit a grievance to Blue Shield and wait for at least 30 days before requesting external review; however, if the matter would qualify for an expedited decision as described above, the member may immediately request an external review. The member may initiate this review by completing an application for external review, a copy of which can be obtained by contacting Blue Shield Customer Service. The DMHC or CDI will review the application and, if the request qualifies for external review, will select an external review agency for an independent opinion. There is no cost to the member for this external review. The member and his or her physician will receive copies of the opinions of the external review agency. This external review agency decision is binding on Blue Shield. This process is completely voluntary on the member's part; the member is not obligated to request external review.

External Exception Review

If Blue Shield denies an exception request for coverage of a Non-Formulary Drug, Step Therapy or a Prescription Drug Prior Authorization, the Member, authorized representative, or the Provider may submit a grievance requesting an external exception request review. Blue Shield will ensure a decision within 72 hours in routine circumstances or 24 hours in exigent circumstances. This review process applies to plans regulated by the DMHC or CDI.

Contacting the Appeals and Grievance Department

To contact the Appeals and Grievance Department, please refer to the *Contact us* section at the top of Provider Connection at blueshieldca.com/provider.

Section 1: Introduction

Fraud Prevention

Each year hundreds of millions of dollars are lost due to health care fraud, waste, and abuse. The mission of the Blue Shield Special Investigations Unit (SIU) is to ensure we provide the best investigative services for the company and stakeholders by being nimble and highly responsive to a broad spectrum of suspected fraudulent activities. The SIU is accountable for leading in investigations and criminal/civil prosecutions of internal and external entities and is the primary liaison with all levels of law enforcement. In conjunction, the SIU coordinates efforts to recover erroneous payments, misrepresentative billing, fraud, abuse or other acts resulting in overpayments.

Providers can help us to stop this pervasive problem by reporting suspicious incidents. To learn more, as well as how and what to report, go to blueshieldca.com, click on the *About Blue Shield* link at the bottom, and then the *Preventing fraud*. Here, providers can get guidance related to billing practices and prevention of inappropriate practices. Investigators in the (SIU) research suspicious billing practices.

Providers can also email Special Investigations directly at stopfraud@blueshieldca.com, or call Blue Shield's 24-hour Fraud hotline at the toll-free telephone number (855) 296-9092. Callers and emailers may remain anonymous, if desired.

Fraud Prevention *(cont'd)*

Provider Audits

The Blue Shield Special Investigations Unit (SIU) has the duty and responsibility to conduct periodic provider audits. The SIU monitors and analyzes billing practices in order to ensure services are correctly billed and paid.

Audits are also conducted to ensure compliance with:

- Blue Shield of California Medical, Medication, and Payment Policies
- Accepted CPT, HCPCS, ICD-10-CM, and ICD-10-PCS billing and coding standards
- Scope of Practice
- Blue Shield's policies and procedures on claims submissions
- State and federal laws and regulations

All audits comply with federal and state regulations pertaining to the confidentiality of patient records and the protection of personal health information.

SIU personnel shall contact the provider's office to schedule onsite audits five (5) business days in advance or earlier if mutually agreed upon. The provider shall allow inspection, audit and duplication of any and all records maintained on all members to the extent necessary to perform the audit or inspection. This includes any and all Electronic Health Records (EHR) and systems including any electronically stored access logs and data entry for electronic systems. Blue Shield requires that all records and documentation be contained in each corresponding Patient chart at the time of the audit. Audit findings will be communicated in writing.

Provider audits may result in a determination of overpayment and a request for refund.

Section 1: Introduction

Fraud Prevention *(cont'd.)*

Fraud, Waste, and Abuse

The Medicare Prescription Drug benefit was implemented by the Centers for Medicare & Medicaid Services (CMS) to allow all Medicare beneficiaries access to prescription drug coverage. In its effort to combat fraud in the Medicare prescription drug program, CMS has added several Medicare Drug Integrity Contractors (MEDICs). In California, the MEDIC is Qlarant Integrity Solutions, LLC. Qlarant Integrity Solutions, LLC is responsible for monitoring fraud, waste, or abuse in the Medicare Part C and Part D programs on a national level.

Qlarant Integrity Solutions, LLC has been authorized by CMS to monitor Medicare fraud, waste, and abuse and to investigate any beneficiary complaints related to Medicare Part C and D benefits.

Qlarant Integrity Solutions, LLC is interested in receiving reports of potential fraud, waste, or abuse from Medicare beneficiaries. Examples of these types of complaints may include:

- An individual or organization pretends to represent Medicare and/or Social Security, and asks the beneficiary for their Medicare or Social Security number, bank account number, credit card number, money, etc.
- Someone asks the beneficiary to sell their Medicare ID card.
- Someone asks the beneficiary to get drugs or medical services for them using their Medicare ID card.

Fraud Prevention *(cont'd.)*

Fraud, Waste, and Abuse *(cont'd.)*

- The beneficiary feels a Medicare Advantage or standalone Part D plan has discriminated against them, including not letting them sign up for a specific plan because of their age, health, race, religion, or income.
 - The beneficiary was encouraged to disenroll from their current health plan.
 - The beneficiary was offered cash to sign up for a Medicare Advantage or standalone Part D plan.
 - The beneficiary was offered a gift worth more than \$15 to sign up for a Medicare Advantage or standalone Part D plan.
 - The beneficiary's pharmacy did not give them all of their drugs.
 - The beneficiary was billed for drugs or medical services that he/she didn't receive.
 - The beneficiary believes that he/she was charged more than once for their premium costs.
 - The beneficiary's Medicare Advantage or standalone Part D plan did not pay for covered drugs or services.
 - The beneficiary received a different Part D drug than their doctor ordered.

Medicare beneficiaries should contact Qlarant Integrity Solutions, LLC at (877) 772-3379 to report complaints about any of these types of fraud, waste, and abuse issues or a related complaint. Qlarant Integrity Solutions, LLC may also be contacted by fax at (410) 819-8698 or on their website at www.qlarant.com/wp-content/uploads/2020/11/Qlarant_I-MEDIC_Complaint_Form_2020_11_04.pdf. Reports may also be submitted directly to Blue Shield of California's Special Investigations Unit at (855) 296-9092, via email at stopfraud@blueshieldca.com, or through the Medicare Compliance Department at (855) 296-9084.

Section 1: Introduction

Fraud Prevention *(cont'd.)*

Medicare Compliance and Fraud, Waste, and Abuse Training Requirements

Blue Shield has a comprehensive program in place to detect, prevent and control Medicare Fraud, Waste, and Abuse (FWA) as part of the General Compliance Plan Requirements (42 C.F.R. § 423.504(b)(4)(vi)(H)) and 42 C.F.R. § 422.503(b)(4)(vi).

Blue Shield requires all First-Tier, Downstream, and Related Entities (FDRs), including but not limited to IPAs, medical groups, providers, independent sales agents, third party marketing organizations (TMOs), and contracted pharmacies who work works with the Medicare Program that they successfully complete a fraud waste and abuse (FWA) training. This training should focus on how to detect, correct, and prevent non-compliance and fraud, waste, and abuse surrounding Medicare programs.

All FDRs must ensure that all personnel, Board members, employees and contracted staff involved in the administration or delivery of Medicare benefits complete a FWA training, alternative equivalent training through another Medicare Plan Sponsor, the CMS web-based Compliance and FWA training, or deemed through enrollment into the Medicare program or accreditation as a durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) supplier.

This requirement applies to all personnel, employees, and contracted staff upon initial hire. Evidence of training must be maintained for a minimum of ten (10) years and produced upon request for audit purposes. Training must be completed within 90 days of hire or election to the Board and annually thereafter.

A statement of attestation is required annually by all IPAs, medical groups, and network pharmacies contracted with Blue Shield for the Medicare programs. The compliance statement of attestation indicates that the IPA, medical group or pharmacy staff, and downstream providers have completed the Medicare Compliance and Fraud, Waste, and Abuse training, equivalent training from another Plan Sponsor, or the CMS web-based compliance and FWA training that is accessible at www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/WebBasedTraining.

Blue Shield's Code of Conduct and Corporate Compliance Program

Blue Shield of California is guided by our North Star: To create a healthcare system that is worthy of our family and friends and sustainably affordable. We have deeply held values that also guide us and the experiences we create – for our members, our partners, our communities, ourselves, and others.

Objectives:

- 1) To strengthen and sustain a corporate culture of compliance, ethics, and integrity.
- 2) To prevent, detect and remediate unlawful or unethical conduct.
- 3) To create, strengthen and sustain an environment that facilitates the reporting of actual or suspected violations of law, company policies, Code of Conduct, and other misconduct, without fear of retaliation.

Blue Shield's Code of Conduct is the written expression of our expectations, requiring compliance with the law and our policies, and helping us keep sight of our values and translate them into everyday actions. At Blue Shield, we recognize that to lead with integrity, we must do what's right for our members and our company in every action, every transaction, every conversation.

The Code cannot cover every detail of every rule or law that applies, but the Code is always the best place to start. It gives you a high-level view of important topics and points you to other resources.

We are honored to do business with partners that support our mission.

Providers can make confidential reports of concerns or report actual or potential violations via the Compliance & Ethics Hot Line at (855) 296-9083.

To view Blue Shield's Code of Conduct, click the link below:

[Blue Shield of California Code of Conduct](#)

If providers have additional questions about this program, please contact Provider Information & Enrollment at (800) 258-3091.

Privacy and Security

The Privacy Office provides oversight of Blue Shield's compliance with state, federal, and international privacy laws, including the privacy components of the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act.

The Privacy Office accomplishes its mission of ensuring compliance with these laws and regulations via employee awareness and training programs, outreach, audits, policy development, incorporation of industry best practices, investigations, and through consultation and guidance provided to business units.

For additional information about confidentiality, privacy and security, please contact Blue Shield's Privacy Office Helpline at (888) 266-8080 or Hotline at (855) 296-9086.

Section 1: Introduction

Blue Shield's Code of Conduct and Corporate Compliance Program (cont'd.)

Privacy and Security Risks of Medical Devices

There are several compliance risks associated with medical devices that can adversely affect healthcare organizations. Medical equipment and devices can contain electronic protected health information, which means any devices that are lost, stolen, or accessed by unauthorized individuals can result in privacy incidents that must be investigated, and potentially reported as breaches. Blue Shield suggests the following safeguards that hospitals can take to lower the risk of their medical devices being hacked:

1. Medical equipment should be assigned to hospital personnel. This provides accountability as well as ensuring software is routinely updated and missing equipment is reported immediately. The average hospital has 10 to 15 medical devices per hospital bed. With many devices operating 24/7, this creates countless entry point opportunities for hackers.
2. Medical equipment and devices that require a username and password should be unique to each user. Some medical equipment and devices are installed with default user IDs and passwords. Usernames, passwords, and scannable badges should not be shared among personnel. Different passwords should be used for each piece of medical equipment that connects to the hospital's systems directly, using Wi-Fi, or other internet connection. Further, if a vendor controls the software upgrades, lists of authorized users, passwords, etc., require that the vendor keep the security software current and assigns different passwords for each piece of equipment. This will help prevent hacking all equipment if access is gained through one device.
3. Medical equipment and devices are not generally designed to be remotely managed. The timeframe for an idle user should be limited after sign-on, so that another person cannot access the device under the previous user's credentials.
4. Medical equipment and devices that are equipped with location capabilities should have those capabilities activated at all times. This will help locate lost or stolen equipment.
5. Medical equipment and devices with external USB ports should be covered if possible, to prevent the introduction of malware from an external storage device. In addition, hospital staff should refrain from sharing any Wi-Fi passwords with customers.

Hospital personnel who take these suggested actions will help lower the facility's risk for hacking through its medical equipment and devices.

Blue Shield Medicare Advantage Program Overview

The Medicare Prescription Drug Improvement and Modernization Act (MMA) introduced the Medicare Advantage Program and the Prescription Drug Benefit. The prescription drug benefit, as well as an employer subsidy for qualified retiree health plans, is referred to as Medicare Part D. Coverage for the drug benefit is being provided by private prescription drug plans (PDPs) that offer drug-only coverage, or through Medicare Advantage plans that offer both prescription drug and health care coverage (known as Medicare Advantage – Prescription Drug (MA-PD) plans.

Blue Shield's Medicare Advantage-Prescription Drug plans are open to all Medicare beneficiaries, including those under age 65 who are entitled to Medicare on the basis of Social Security disability benefits, who meet all of the applicable eligibility requirements for membership, have voluntarily elected to enroll in Blue Shield Medicare Advantage plans, have paid any premiums required for initial enrollment to be valid, and whose enrollment in Blue Shield Medicare Advantage plan has been confirmed by CMS. Blue Shield Medicare Advantage plans are offered to individual Medicare beneficiaries and to group Medicare beneficiaries retired from employer groups/unions who have selected the product as an option.

The Blue Shield Medicare Advantage HMO plans provides comprehensive coordinated medical services to members through an established provider network. Similar to the commercial HMO product, Blue Shield Medicare Advantage plan members must choose a primary care physician (PCP) and have all care coordinated through this physician.

The Blue Shield Medicare Advantage plans are regulated by CMS, the same federal agency that administers Medicare.

Section 1: Introduction

Blue Shield Medicare Advantage Compliance Program

The Medicare Modernization Act (MMA) established the Medicare Advantage (MA) Program, building on the prior compliance requirements for health plans contracted under the Medicare program. The MMA added Medicare Part D and new coverage for prescription drugs and continued to build on the program integrity provisions in the Balanced Budget Act of 1997. Medicare Advantage Organizations and Part D Sponsors are required by CMS to possess a compliance program through which the organization establishes and maintains compliance with all federal and state standards. Moreover, provisions in the Affordable Care Act (ACA) require that the compliance program be “effective” in preventing and correcting non-compliance with Medicare Program requirements and fraud, waste, and abuse.

The compliance program must include:

- Written policies, procedures, and standards of conduct
- Compliance Officer, Compliance Committee, and high level oversight
- Effective training and education
- Effective lines of communication
- Well publicized disciplinary actions
- Effective system for routine monitoring, auditing and identification of compliance risks
- Procedures and system for prompt response to compliance issues

Blue Shield’s Corporate Compliance Program includes four primary components:

- Model policies for employee, officer, and director conduct
- Code of business conduct
- Toll-free hotline for reporting actual or suspected violations
- Special investigations team for fraud and abuse reviews

All the components in the Corporate Compliance Program are supported by Blue Shield company values which include: doing the right thing, placing customers at the center of what we do, keeping promises, being creative and taking risks, creating an environment that promotes personal, professional, and team fulfillment, and being responsible for maintaining Blue Shield’s heritage. Leadership principles reinforce our organizational commitment to company values.

Blue Shield Medicare Advantage Compliance Program *(cont'd.)*

While the existing Corporate Compliance Program remains the foundation for our organizational compliance, a separate compliance structure was established for the Medicare Advantage Program and the Medicare Part D Programs. Medicare Compliance is supported by a dedicated team. Under the oversight of Blue Shield's Vice President, Chief Compliance & Ethics Officer, the Medicare Compliance Department handles communication with CMS and the Blue Shield operating departments regarding the Medicare plans. A dedicated team headed by the Medicare Compliance Officer advises about CMS requirements and monitors compliance within the organization and in relation to Blue Shield's representatives in the community. The Medicare Compliance Officer leads the day-to-day operations of the Medicare Compliance functions and reports directly to the VP, Chief Compliance & Ethics Officer, who provides direct and periodic reports to Blue Shield's Board of Directors (Audit Committee), the company's Chief Executive Officer (CEO) and senior management on relevant Medicare Compliance and other Corporate Compliance issues, as appropriate. The Medicare Compliance Department builds on components of our Corporate Compliance & Ethics Program and Code of Conduct, and the work of the Privacy Office, which is responsible for the oversight of Blue Shield's compliance with state and federal privacy laws, including the privacy components of the Health Insurance Portability and Accountability Act (HIPAA) and the Health Information Technology for Economic and Clinical Health Act (HITECH).

The Medicare Compliance Officer chairs the Plan's Medicare Compliance Committee, which has representation from all areas of the company that touch the Medicare programs. The Committee serves as the forum for program direction and oversight relative to operating requirements, performance measures and the definition and implementation of effective corrective actions, when indicated. The Medicare Compliance Committee, and Medicare Compliance Department staff, as well as the Blue Shield team of internal auditors, validates the continuing compliant operations of functional areas within the company and the compliant performance of contractors and agents through:

- Monitoring, auditing performance and regulatory compliance
- Auditing of delegated and downstream providers' compliant execution responsibilities
- Monitoring of corrective actions imposed by internal and external entities
- Training and education of employees, temporary employees, and contracted providers and agents in Medicare program requirements and Blue Shield policies on privacy, compliance, fraud, waste, and abuse detection and reporting.
- Tracking of changes in CMS requirements and educating operating units, accordingly
- Verifying current written policies and procedures
- Tracking and submission of required certifications and reporting to CMS

Section 1: Introduction

Blue Shield Medicare Advantage Compliance Program *(cont'd.)*

The Medicare Compliance Program sets the framework for our oversight vision and processes and lays out monitoring programs and activities relative to our overall compliance with CMS regulatory requirements. It is our expectation that the Medicare Compliance Program will not only enable Blue Shield to meet increasing CMS requirements, but also to improve the quality of care and service provided to our Medicare Advantage and Medicare Part D members. The overall compliance structure incorporates the Code of Conduct and the Compliance Program to promote ethical behavior, equal opportunity, and anonymity in reporting of any improprieties within the Medicare product or elsewhere within the organization. Blue Shield has and enforces a strict non-retaliation policy for reporting actual or suspected legal, policy or Code violations, or any other misconduct, in good faith. Key compliance indicators or benchmarks, as well as concerns raised through internal and external monitoring activities, are reviewed by the Medicare Compliance Committee to help proactively identify potential issues and facilitate internal corrective actions or policy changes, as indicated. These elements of the Blue Shield Medicare Compliance Program provide examples of policies and programs that providers might wish to establish within their own organizations.

Auditing and Monitoring

Blue Shield has various departments, e.g., Provider Claims Compliance and Delegation Oversight, that audit first-tier entities for compliance with CMS Program requirements. However, providers are tasked with the oversight and audit of the entities with which they contract to ensure compliance with Medicare Program requirements. Upon request, providers must provide the results of the monitoring and auditing of their downstream entities.

Blue Shield Medicare Advantage Compliance Program *(cont'd.)*

Confirmation of Eligibility of Participation in the Medicare Program

The Office of the Inspector General (OIG) excludes individuals and entities from participation in Medicare, Medicaid, the State Children's Health Insurance Program (SCHIP), and all federal health care programs (as defined in Section 1128B(f) of the Social Security Act (the Act)) based on the authority contained in various sections of the Act, including Sections 1128, 1128A, 1156, and 1892. The OIG and the General Services Administration (GSA) maintains a sanction list that identifies those individuals and entities found guilty of fraudulent billing, misrepresentation of credentials, etc. Delegated entities managing Medicare members are responsible for checking the sanction list at minimum on a monthly basis to ensure their Board of Directors, owners, or employees are not on the list. The delegated entity, its MSO, or any sub-delegates are prohibited from hiring, continuing to employ, or contracting with individuals named on the OIG List of Excluded Individuals and Entities (LEIE) and the GSA Excluded Parties Lists System (EPLS). Below are links to the LEIE and EPLS:

- www.oig.hhs.gov/exclusions/exclusions_list.asp
- www.sam.gov/content/home

Upon audit, providers must provide evidence that they are checking their employees, temporary workers, and Board of Directors against the excluded provider databases upon hire, contracting, or election to the Board, and monthly thereafter.

Section 1: Introduction

Healthcare Regulatory Agencies

California Department of Insurance (CDI)

The California Department of Insurance (CDI) is responsible for regulating health insurance. The Department's Health Claims Bureau has a toll-free number (800) 927-4357 or TDD (800) 482-4833 to receive complaints regarding health insurance from either the insured or his or her provider. If providers have a complaint against the insurer, providers should contact the insurer first and use their grievance process. If providers need the Department's help with a complaint or grievance that has not been satisfactorily resolved by the insurer, the provider may call the Department's toll-free telephone number 8 a.m. to 5 p.m., Monday through Friday (excluding holidays). Providers may also submit a complaint in writing to: California Department of Insurance, Health Claims Bureau, 300 S. Spring St., South Tower, Los Angeles, CA 90013, or through the website at <http://www.insurance.ca.gov/01-consumers/101-help>.

California Department of Managed Health Care (DMHC)

The California Department of Managed Health Care (DMHC) is responsible for regulating health care service plans. If the member has a grievance against Blue Shield, the member should first telephone Blue Shield at the number provided in their *Evidence of Coverage* booklet to use the grievance process before contacting the DMHC. Utilizing Blue Shield's grievance process does not prohibit any potential legal rights or remedies that may be available to the member. If the member needs help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by Blue Shield, or a grievance that has remained unresolved for more than 30 days, the member may call the DMHC for assistance. The member may also be eligible for an Independent Medical Review (IMR). If they are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by Blue Shield related to the medical necessity of a proposed service or treatment, coverage decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services.

Providers can reach the DMHC at (888) 466-2219, TDD line (877) 688-9891 for the hearing and speech impaired, or through www.dmhc.ca.gov, where complaint forms, IMR application forms, and instructions can be found. A revised IMR form is available in English and the 16 threshold languages on the DMHC website at www.dmhc.ca.gov/FileaComplaint/IndependentMedicalReviewComplaintForms.aspx.

Healthcare Regulatory Agencies *(cont'd)*

Centers for Medicare & Medicaid Services (CMS)

The Centers for Medicare & Medicaid Services (CMS) is the federal agency that administers the Medicare program. Blue Shield has entered into contracts with CMS to provide benefits to Medicare beneficiaries. Blue Shield's Medicare Advantage-Prescription Drug plans are open to all individual Medicare beneficiaries who have Medicare Part A and Part B, who permanently reside within the plan service area, and who do not have End-Stage Renal Disease at the time of enrollment in the MA-PD plan. Blue Shield also offers a group Medicare Advantage-Prescription Drug plan to Medicare beneficiaries retired from employer groups/unions who have selected the product as an option.

Blue Shield's stand-alone Medicare prescription drug plans are open to all individual Medicare beneficiaries who have Medicare Part A and/or Part B and permanently reside within the plan's service area. Additionally, Blue Shield offers a group Medicare prescription drug plan to Medicare beneficiaries retired from employer groups/unions who have selected the product as an option. Information about CMS or the Medicare program is available by calling (800)-MEDICARE [(800) 633-4227] and through the websites www.medicare.gov and www.cms.hhs.gov.

Section 1: Introduction

This page intentionally left blank.