

Uniform Business Office Newsletter

Helping frontline users perform their day-to-day jobs

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IMPORTANT NOTICE: Due to Privacy concerns, all personal identifiers, such as names and personal e-mail addresses, have been removed from this newsletter. We apologize for this inconvenience. If you have questions about an article, please do not hesitate to contact the UBO Help Desk (UBO.helpdesk@altarum.org/703-575-5385)

Breaking News!

Services must implement the federally mandated exemption from subsistence for certain Uniformed Services members by mid-September.

In a 16 June 2006, memorandum, Assistant Secretary of Defense for Health Affairs William Winkenwerder, Jr, MD, stated that Section 1112 of the Emergency Supplemental Appropriations Act for Defense and Reconstruction of Iraq and Afghanistan exempts from subsistence any uniformed services member hospitalized on or after 11 September 2001, for any injury resulting from any aspect of the war. The Services must refund any members who were already charged subsistence for their hospitalization under these circumstances.

Alternatively, any outstanding balances for any member hospitalized under these circumstances must also be waived. The Services must report on its implementation of this policy within 90 days of 16 June. The entire memorandum will be posted on the UBO Support Web site:

<https://my.altarum.org/sites/ubo/default.aspx>.

1. What's New – Catch the Latest UBO Information Here

The UBO Web site is migrating to a new platform, with a new layout. This unfortunately means that there will be new Web addresses and you will need to update your “favorites” list. We hope this will be the last change for a long time; we know how annoying it is when Web addresses change (we still can't find things on the CMS Web site that changed last December, and rumor has it they can't either).

To ensure documents are always available during migration, we established a Web site for new information and documents. If you cannot find a document on the TMA UBO page, try our additional UBO Support site: <https://my.altarum.org/sites/ubo/default.aspx> (see box below for username and password).

Check this site frequently for such new information as teleconference dates and updated documents.

The site is password-protected, but all UBO users can access it by following the directions in the table below. If you cannot

For Windows XP Users	For Windows 2000 and Windows 98 Users
username: aa-sharepoint\ubo user password: ub0support	username: ubo user password: ub0support domain: aa-sharepoint

Note: The third character in the password is a zero.

find the information you're seeking or need help accessing the site, please contact the UBO Helpdesk at 703-575-5385 or ubo.helpdesk@altarum.org.

2. CY2006 Outpatient Itemized Billing Rate Package Release

An updated Outpatient Itemized Billing (OIB) rate package was effective 12 June 2006. This package has the new CPT/HCPCS codes that became effective January 2006. It also includes updated rates for: CMAC/CMAC Components, Anesthesia, Ambulance, Dental, Durable Medical Equipment (DME)/Durable Medical Supplies (DMS), Immunization, the Pharmacy Dispensing Fee, and the International Military Education and Training (IMET)/Interagency Rate (IAR) percentages. The policy memorandum and the rates are posted on the DoD Comptroller General's Web site: <http://www.dod.mil/comptroller/rates/index.html>.

If you talk with your coders, you might want to let them know a number of CPT/HCPCS Codes now have more modifiers available, particularly the S-Codes in HCPCS.

3. Cosmetic Surgery Billing Package Update

The Cosmetic Surgery Estimator Tool version 2.0 was shipped on 12 May 2006; it became effective 12 June 2006. The new rates apply to procedures performed on or after 12 June 2006.

Key changes in this year's rate methodology resulted in a price increase for institutional charges for inpatient and outpatient surgical services. For outpatient surgical services, each additional procedure performed during the same operative session (multiple and/or bilateral) will incur a facility fee for each additional procedure at 50% of the regular facility fee. This rate methodology varies from 2005, when the facility fee was only applied to the principal procedure rather than each additional procedure.

Based on FY06 Direct Care reimbursement rates, the increase in the Diagnosis Related Group (DRG) rate for inpatient surgical services went from \$2,155.80 to \$5,167.21. The good news, however, was a decrease in some professional fees as well as the facility fees associated with surgeries done in clinics vice bedded facilities.

The onsite beta testing in April was a success. Special thanks to the billing personnel whose MTF participated in the beta testing; NMC San Diego; NMC Portsmouth; Brooke AMC; Eisenhower AMC; Womack AMC; USAF Regional Hospital; Malcolm Grow Medical Center.

4. Coverage Type/Payer Type Codes and Other Health Insurance (OHI)

With the Standard Insurance Table (SIT)/OHI conversion moving forward and more MTFs beginning to work with the new functions and new data fields, it is important to be **extra** careful when using the newly created OHI Coverage Type codes.

Coverage Type is a new term used to describe Other Health Insurance (OHI). The Coverage Type defines the health care services covered by each policy. An OHI Coverage Type Code never stands alone. It is always considered in combination with the OHI Payer Type Code to which it is linked. A specific OHI Coverage Type/OHI Payer Type combination should be entered for **each** type of health care service that is covered by the policy. Each OHI policy must have at least one OHI Coverage Type/OHI Payer Type combination, but it may have as many combinations as needed to describe completely the scope of services covered by the policy.

OHI **Coverage Type** Codes

- XM = Comprehensive Medical (Not often used)
- MD = Medical Only**
- RX = Pharmacy**
- DN = Dental**
- VI = Vision**
- IP = Inpatient
- OP = Outpatient
- MH = Mental Health
- LT = Long Term Care
- SN = Skilled Nursing
- PH = Partial Hospitalization

OHI **Payer Type** Codes

- B = Both Institutional and Professional (default)**
- I = Institutional Only**
- P = Professional Only**
- N = Non-billable

(Most commonly used codes are in **bold**)

For example: First Choice Coverage Type/Payer Type Code: MD/B
 Express Scripts Coverage Type/Payer Type Code: RX/B

The MHS interprets Comprehensive Medical “XM” coverage as including both Medical and Pharmacy. **XM is not recommended for use.** It should only be used to load a placeholder OHI policy while complete policy information is being gathered or when it is *definitely* known that a particular policy has both Medical and Pharmacy.

Please be aware that the selection of a Coverage Type Code may affect a patient’s benefits with out-of-pocket costs. Access to OHI will be worldwide after the conversion, so it will be accessible to all MTFs, TRICARE Pharmacy Point of Sale, and Managed Care Support Contractors (MCSCs). TRICARE and the MCSCs use the OHI data to establish whether they are the primary or secondary payer. If the OHI policy is entered as XM but it really does not include pharmacy benefits and the patient goes to a civilian pharmacy, the system will show that the OHI is the primary payer and TRICARE secondary. The patient will have to pay cash and then file a claim for the cost, until the system can be updated.

It is also important to note that after the conversion, MTFs will need to re-evaluate their OHI policies that were migrated to the new format during the SIT/OHI Conversion. Most of the OHI policies on their CHCS databases will be converted with XM/B as the default/assigned OHI Coverage Type/Payer Type combination. During post-conversion batch re-pointing, there is an opportunity to change the OHI Coverage Type to reflect the appropriate healthcare service.

For additional information, see the Pre and Post Conversion Guide and Business Rules for the SIT/OHI on the TMA/UBO Web site: (<http://tricare.osd.mil/rm/index.cfm?pageld=10>). See also the “What’s New” section, posted at: <https://my.altarum.org/sites/ubo/default.aspx>.

5. 2007 UBO/UBU Annual Educational Conference

Mark your calendars now for next year's annual conference. It will be held 19-23 March 2007, at the National Conference Center in Lansdowne, Virginia. (Sorry, Seattle didn’t make the cut this year.) Nevertheless, it will be an exciting conference with lots of new information as we get ready for Charge

Call for Speakers
Interested in presenting a session at next year’s conference? Send your name, contact information, and topic to UBO.conference.speakers@altarum.org

Master Based Billing (CMBB) and other billing challenges. We need YOUR input on topics and recommended speakers. Thank you to those who have already volunteered.

Please forward your suggestions to your Service Managers and to [Name Redacted] at [email redacted], or call 703-575-1709.

6. Patient Category (PATCAT) Codes — Potential Changes Identified by UBO Advisory Work Group and in Coordination Cycle

The UBO Advisory Working Group (AWG) identified several potential changes for Patient Category (PATCAT) codes during its May 2006 quarterly meeting. They include the following:

PATCAT Code	Recommended Change
A27, F27, M27, or N27 (Former Member – Maternity Care):	Change billable rate from ‘NC’ to ‘FMR’
K53W (NAF OCONUS); K53Z (NAF CONUS)	Change Pay Mode to ‘DD77/DD7A’ Change billing to ‘Agency’ rather than ‘Individual’
K61-1 (VA Beneficiary) and K61-2 (DOD/VA Sharing Agreement)	Reinstate the Pay Mode = ‘DD7/DD7A’
K91, Sub 2 (Civilian - Disaster – FEMA)	Change billable rates to ‘FLEX/FLXO’ rather than ‘IAR/IOR’

7. Pharmacy Rate Update

An updated Pharmacy Rate Table is anticipated in late summer. Since 2002, the UBO has applied a “lowest cost” methodology to these rates. To become more consistent with DoD’s actual cost to purchase pharmaceuticals, we evaluated the effect of changing the rate methodology to the “median cost” of the National Drug Code (NDC) generic class and decided to use this methodology. It allows the MHS to more fairly bill purchased costs. A teleconference about the updated Pharmacy rates will be scheduled close to the effective date. Check the “What’s New” Web site (<https://my.altarum.org/sites/ubo/default.aspx>) for specifics.

Please continue to report any questions, billing issues, and comments to the MHS Helpdesk or the TMA UBO Helpdesk at ubo.helpdesk@altarum.org.

8. Changes Are Coming Quickly for the UB-04 and CMS-1500

Two new billing forms will be used for billing. These forms are scheduled to be rolled out starting in October 2006, with total compliance by 23 May 2007. In particular, the CMS-1500 claim form is being revised to include the National Provider Identifier (NPI).

To prepare, TPOCS will test and load the new format into MTF systems during September 2006. The UBO Program Office will provide guidance and training on the new forms in late summer.

Timelines:

CMS-1500 (08-05) effective:	October 1, 2006
CMS-1500 (08-05) mandatory:	February 1, 2007
CMS-1500 (12/90) <u>or</u> (08/05) valid:	October 1, 2006 – January 31, 2007
CMS-1500 (12/90) discontinued:	February 1, 2007
UB-04 valid:	February 1, 2007
UB-92 discontinued:	May 23, 2007
UB-04 mandatory:	May 23, 2007

All rebilled claims should use the revised CMS-1500 claim form after 31 January 2007, even for re-billing. The UB-04 can be used starting 1 February 2007, with compliance required by 23 May 2007, when the UB-92 will be discontinued. After 23 May 2007, all submissions (including re-billing) must be on the UB-04 form.

9. How Will the NPI Affect Billing?

National Provider Types 1 (provider) and 2 (facility) will be required fields on the new billing forms. Field locators have been expanded or added to allow the 10-digit NPI numbers. A period of transition will occur when claims can be submitted with legacy numbers, however, after 23 May 2007, all claims must contain the appropriate NPI or they will not be processed by the payer. Most MTFs have received their NPI Type 2 and are ready to go.

10. VA Billing — Inpatient Billing Guidance Being Coordinated by VA and DoD

The proposed new approach for military treatment facilities (MTFs) and Veterans Affairs (VA) hospitals participating in resource sharing agreements would use TRICARE/CHAMPUS diagnosis-related groups (DRGs) and a modified version of the TRICARE DRG Payment Calculator to derive the amount to be billed by a hospital. The billable amount would be 90 percent of the TRICARE/CHAMPUS Allowable amount, taking into account the status of the inpatient case as a DRG Inlier, Short-Stay Outlier, Transfer case, or Long-Stay Outlier. This proposal is now in coordination within the VA and the Department of Defense (DoD). Your Service UBO managers will provide the details as they receive them.

11. UBO Learning Center Update – Upcoming Teleconferences

Service Managers will alert you about these teleconferences. Handouts and call-in information will also be posted on the “What’s New” section of the UBO Web site.

- **Rates, Rates, and More Rates....** Pharmacy Rates and Inpatient Rate teleconferences are planned for this summer, once the rate packages are released. Dates to be announced.
- UBO Metrics – New to the field? Learn how to populate the 2570 to ensure that your MTF’s third-party collections are counted. This teleconference will focus on the basics of system usage, including obtaining a User ID and password, selecting a report, entering your 2570 data, and validating your 2570 data.

Still Confused About How to Assign a Patient Category (PATCAT)?

Watch for upcoming Web-based training.

Guidance for the New CMS-1500 (8/05) and UB-04 Forms Change and Billing

Teleconferences will be offered in September in conjunction with TPOCS field testing. Watch for the dates.

Outpatient Rates

Teleconferences for the outpatient rates were held in early June. See the UBO Web site for copies of the handout.

12. 2006 MHS Coding Guidelines

The 2006 MHS Coding Guidelines are due out in mid July with an effective date of 1 August 2006. Let your coders know to check the Uniform Biostatistical Utility (UBU) Web site if they do not receive a copy through their Service channels.

13. Coding Alert!

If you are at an MTF using AHLTA, your coders should soon be getting guidance about coding histories of cancer. The coders should notify the providers that history of cancer (cancer is not currently being treated) codes are in the V-codes (personal history V10, V12, V15.3; family history V16, V18), not the 140-239 series. It is important that the incorrect codes not be on bills, as the active cancer codes could impact premiums/ability to obtain future insurance.

14. Telephone Calls Now Being Billed

As you know, most of the UBO rates, in accordance with 32 CFR 220.8, (a)(1), are based on CHAMPUS rates. This year, codes 99371 and 99372, telephone calls, have CHAMPUS Maximum Allowable Charges (CMAC). And now, so do we! With the updated tables in June, you will probably begin seeing bills for privileged providers (e.g., doctors, physician assistants, nurse practitioners). There should not be bills for nurses unless the nurse is an advanced practice nurse (e.g., nurse midwife, nurse practitioner).

Note: To ensure that all MTF billing personnel can obtain the best information to help them do their day-to-day jobs, the UBO is pleased to have guest writers from TPOCS and from the Coast Guard to share their expertise.

15. TPOCS Corner: From the T-3 Helpdesk

TPOCS General Ledger Changes and Enhancements

The Third-Party Outpatient Collection System (TPOCS) software, Version 3.1 that supports the TNex conversion, has been re-designed to address some accounting issues. These changes support bulk posting and bulk write-off processing. Users can now apply payments and write-offs using bulk functionality for accounts in the general ledger. They can apply payments using a specified dollar amount (\$) or specified percentage (%) of the entire total of the bill or each individual line item amount.

The **Detailed Posting** tab was renamed **Payments**. There were no field or data changes to the **Write-Off** and **Secondary Payment** tabs. Line counts were added to all general ledger tabs. This identifies the number of open line items in the account. **Bill Type** (Clinic, Pharmacy, Lab/Rad, etc.) was also added to display on the general ledger and adjustment screens.

Functional changes were added to the **General Ledger** through new buttons:

- Bulk Percentage (%);
- Bulk Percentage (%) per Line Item Posting;
- Bulk Amount (\$) Posting;
- Bulk Write-off;

- Line Item by Percentage (%);
- Apply; and
- Reset.

The query function in the General Ledger has also been revised. Users can **query data** in the following new fields: Encounter Date, FMP/SSN, Patient Name, Entry Date; and Entry User.

Bulk Posting Functions lets users apply a specific dollar amount (\$) or percentage (%) to the **Total Amount** of the bill. This function can be applied four different ways: (1) apply % to the total of the bill; (2) apply % to each line item in the account; (3) apply \$ to the total of the bill; or (4) apply a different % to one or more line items in the account.

1) *Bulk Posting by Percentage (%)* applies the specified percentage to the **Bill Total Amount**. Only one transaction code (R1 or R2) can be associated with this function.

2) *Bulk Line Item Posting by Percentage (%)* lets users apply a specified percentage equally to *each open line item* associated with the account or the *bill total amount*. Only *one transaction code* (R1 or R2) can be associated with this function.

3) *Bulk Posting by Amount (\$)* applies the specified dollar amount to the *Bill Total Amount*. Only one transaction code (R1 or R2) can be associated with this function.

4) *Posting Percentage (%) Per Line Item* allows the user to apply a specified *percentage* to each line item associated with the account for different transaction codes.

Bulk Write-off Functions lets users apply a specified amount to the remaining balance of the account. There must be *more than one line item* applied with this transaction and only *one transaction code* (W code) can be associated with this function.

There were no functionality changes to the **Adjustments** function. The date of a transaction was added to the screen display.

Upcoming TPOCS Events (Dates are tentative)

Done	Oracle 10g upgrade
16 June 2006	Rate tables
Jun thru Aug 2006	SIT-OHI + TPOCS 3.1 + TPOCS 3.0.1.5 patches – tricare.osd.mil/rm/index.cfm?pageid=95 contains the latest authoritative table of SIT-OHI fielding dates; click "activation schedule."
August 2006	Pharmacy rate table
September 2006	Field new forms subroutine to selected test sites.
Oct 2006	Inpatient (ASA) rate table
Jan 2007	NPI + PT3 + TPOCS 4 + post payments larger than claims (maybe) + partial refunds (maybe) + New forms HCFA-1500 and UB-04
Feb and May 2007	Due date for new billing forms

16. Coast Guard Creates UBO

At the start of Fiscal Year 2006, the U.S. Coast Guard launched its first ever UBO. Located within the Human Resources Financial Management Directorate at Coast Guard Headquarters, the business office serves as a primary clearinghouse for all DoD Direct Care and Purchased Care medical invoice processing for the Coast Guard's 200,000 beneficiaries. In addition to

processing claims, the UBO works closely with the DoD Board of Actuaries and Department of Treasury to coordinate normal cost contribution payments into the Medicare Eligible Retiree Health Care Fund for its active duty and reserve members. While ensuring prompt payment and effective budget execution, the UBO will centrally manage all reimbursable programs for the Coast Guard's 32 clinics nationwide, namely Medical Affirmative Claims, Third Party Collections and DoD reimbursables (Medical Services Account, or MSA).

Centralizing the primary medical accounts at Coast Guard Headquarters will not only facilitate customer claim follow-up and case disposition inquiries, but it will also enhance the Coast Guard's ability to withstand annual CFO Act and newly imposed Internal Controls audits. Successfully moving forward in both areas will require an even greater partnership between the Coast Guard and DoD medical business offices to transform inter-department medical billing practices. This transformation will not only ensure the Coast Guard and DoD better withstand medical financial accountability audits but it will also streamline current reimbursement procedures resulting in more timely reimbursement of DoD MTFs.

UBO Reference Portals**Uniform Business Office (UBO)**<http://tricare.osd.mil/rm/index.cfm?pagelD=10>**Uniform Biostatistical Utility (UBU)**<http://www.tricare.osd.mil/org/pae/ubu/default.htm>**MHS Helpdesk**<http://www.MHS-helpdesk.com>**Third Party Outpatient Collection System (TPOCS)**<http://www.tpocshelpdesk.com>**CHCS Implementation Alerts and OIB**<https://fieldservices.saic.com>**UBO Questions (This is an email address)**ubo.helpdesk@altarum.org**UBO Support Additional Web Site (see p. 1 for access)**<http://www.altarum.com/itar/uba/default.aspx>

Abbreviations/Acronyms in This Newsletter

AMC	Army Medical Center
AWG	Advisory Working Group
CCE	Coding Compliance Editor
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CHAMPUS	Civilian Health and Medical Program OF THE Uniformed Services
CHCS	Composite Health Care System
CMAC	CHAMPUS Maximum Allowable Charge
CMS	Centers for Medicare and Medicaid Services
CMS-1500	Centers for Medicare and Medicaid Services billing form 1500; formerly the HCFA-1500
CONUS	Continental United States
CPT-4	Current Procedural Terminology, 4 th Edition
CY	calendar year
DME	Durable Medical Equipment
DMS	Durable Medical Supplies
DoD	Department of Defense
DRG	Diagnosis-Related Group
DVA	Department of Veterans Affairs; also, VA
FEMA	Federal Emergency Management Agency
FMP	Family Member Prefix
HSC	Chief Health Services Technician, U.S. Coast Guard
ICD-9	International Classification of Diseases, 9 th Edition
ID	Identifier
IAR	Interagency Rate
IMET	International Military Education and Training
MCSC	Managed Care Support Contractor
MSA	Medical Services Account
MTF	Military Treatment Facility
NDC	National Drug Code
NMC	Naval Medical Center
NPI	National Provider Identifier (Type 1 – individual; Type 2 – institutional/organizational)
OCONUS	Outside the Continental United States
OHI	Other Health Insurance
OIB	Outpatient Itemized Billing
PATCAT	Patient Category
POC	Point of Contact
SIT	Standard Insurance Table
SSN	Social Security Number
TMA	TRICARE Management Activity
TNex	TRICARE Next Generation of Contracts
TPOCS	Third Party Outpatient Collection System
UB-04	Uniform Billing form 2004
UBO	Uniform Business Office
UBU	Uniform Biostatistical Utility
USAF	United States Air Force
VA	Veterans Affairs, Department of; see also DVA