Broker News

For brokers and producers only

Date: June 30, 2022

Markets: Commercial

Consolidated Appropriations Act Updates

Ensuring cost transparency and payment integrity in healthcare

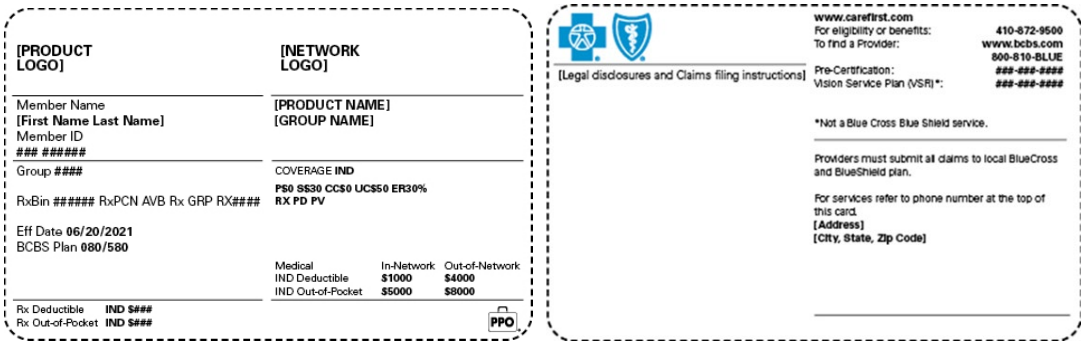
In December 2020, Congress signed the Consolidated Appropriations Act (CAA) into law. One section of the new law, referred to as the No Surprises Act, contains new requirements for cost transparency and provides protections for consumers against surprise medical billing.

CareFirst BlueCross BlueShield (CareFirst) has implemented several changes in response to the No Surprises Act. See below for a list of what has been completed and what is next.

ID Cards

CareFirst issued updated ID cards to all members (for plan years beginning January 2022 or later), which include new benefit information:

- Medical deductibles and out-of-pocket maximums
- Rx deductibles and out-of-pocket maximums



Please see attached FAQs for additional information.

Machine-readable Files

Beginning July 2022, CareFirst will make in-network provider negotiated rates and historical out-of-network allowed amounts available online. Rates will be available through machine-readable files (MRF) posted on our website and updated monthly. The in-network and out-of-network files will be available to the public. Please refer to the machine-readable file's communication from June 9, 2022, for specific details.

For information on how to access machine-readable files, please click here. Groups will need an EIN to access their files.

Surprise Billing

CareFirst is protecting members from balance billing by covering eligible services and circumstances at in-network rates. Patients are only responsible for in-network cost-sharing amounts in emergencies and non-emergency situations where patients cannot choose an in-network provider, and with respect to air ambulance (i.e., surprise bills). For these services and circumstances, out-of-network providers may not balance bill patients (hold patients liable) for any amounts exceeding allowed charges.

CareFirst created a new fee schedule called Qualifying Payment Amount (QPA) to adjudicate surprise bill claims. The QPA is the median in-network rate for a particular service based on geographical location.

Providers can dispute payments from carriers through the Independent Dispute Resolution (IDR) process to negotiate additional payment from CareFirst, without impacting the member cost share.

Please see attached FAQs for additional information.

Provider Directories

CareFirst will continue regularly updating our provider directories and verify accuracy every 90 days. Additionally, CareFirst will respond to covered individuals within one business day when asked whether a provider or facility is considered in-network. CareFirst retains the right to remove providers who are unresponsive from our directories. If a patient receives incorrect network information and can provide documentation, CareFirst will cover the services rendered by that provider at in-network rates.

Price Comparison Tool

CareFirst will continue the use of our price comparison tool, now required under the CAA. Members currently have access to the CareFirst's Treatment Cost Estimator Tool in *My Account.* Our price comparison tool, accessible online or by phone, allows covered individuals and in-network providers to compare expected cost-sharing amounts for covered services based on geographical region, participating provider and specific service. CareFirst is currently implementing the required changes under Price Transparency and CAA, to our Treatment Cost Estimator Tool, for January 1, 2023 and January 1, 2024. Respectively the changes are:

- January 1, 2023, cost estimating will be available for first 500 required services.
- January 1, 2024, cost estimating will be available for all remaining services.

Plans that utilize our current tool for pricing can continue to access that tool as they do today.

Continuity of Care

CareFirst will notify members when a provider/facility leaves our network and provide transitional coverage to ensure continuity of care to patients. For patients receiving certain types of ongoing care from affected providers or facilities, CareFirst will provide up to 90-days of transitional coverage (or less if treatment ends) by those providers at in-network rates. Such transitional coverage is generally available for patients with complex health conditions, inpatient care, non-elective surgery, pregnancy and terminal illness.

Advanced EOB

Enforcement of the Advanced EOB (AEOB) is deferred pending final regulations. CareFirst's implementation has been delayed until further notice. AEOB requires providers to give members a good faith estimate and send the estimate to their patient's insurance company. CareFirst will be responsible for providing the good faith estimate based on benefits and cost sharing to the member.

Independent Dispute Resolution (IDR)

CareFirst has developed a process to provide services for: intake and facilitation of open negotiations, documentation of claims payment rationale (i.e., methodology for calculating QPAs for CareFirst providers), management and representation through the IDR process, and subsequent claims adjustments (when CareFirst is the claim adjudicator). Inter-plan claims are impacted. CareFirst will work with local Blues Plans to coordinate responses to negotiation requests for eligible surprise bill claims related to our members.

Notable impact to Self-funded Accounts:

- Pass through fees for the IDR process will apply as the result of the additional service (i.e., $50 non-refundable administration fee, escrow amount, arbiter's fees, external counsel fees) if necessary.
    - Certified IDR entity fee for single determinations range between $200 - $500.
    - Certified IDR entity fee for batched determinations range between $268 - $670.
    - IDR fees are subject to change, fees noted above are set for calendar year 2022.
- CareFirst QPA must be used in order for CareFirst to provide IDR services.

Pharmacy Benefit and Drug Cost Reporting

CareFirst will provide reporting on the top 50 drugs in various categories including top brand drugs dispensed, most costly, cause of highest increase in expenditures along with rebate information and the impact of those rebates on premiums. Reporting will include pharmacy and medical drug costs. Initial reporting will be submitted December 2022.

Prohibition of Gag Clauses

CareFirst has removed all gag clauses from applicable contract agreements. Prohibited gag clauses under CAA, are contractual limitations on the ability of providers, group health plans, TPA or other entities who may be a business associate of such entities on the sharing of cost, quality of care or de-identified claim data as allowed by HIPAA and the Privacy Act.

Note: For a list of the impacted market segments, please click here.

A communication directly to employer groups is **not** planned. Account Consultants and Brokers/Producers can share these updates with their accounts, as they deem appropriate.

For more information

If you need additional information, please contact your broker sales representative.