NOTICE OF PAYER POLICIES AND PROCEDURES AND TERMS AND CONDITIONS APPLICABLE TO ALL INDIVIDUAL NETWORK PARTICIPANTS AND APPLICANTS FOR ARKANSAS’ FIRSTSOURCE® PPO, TRUE BLUE PPO, AND HEALTH ADVANTAGE HMO NETWORKS

As a result of the new “Any Willing Provider” (or “AWP”) legislation and a significant increase in individuals participating in “Consumer Driven Products,” USAble Corporation and Health Advantage are announcing clarifications and extensions of current Payer Policies and Procedures and terms and conditions applicable to all qualified individual providers who participate in or seek admission to USAble’s Arkansas’ FirstSource® PPO and True Blue PPO networks or Health Advantage’s HMO network (including those individuals who may contract through physician-hospital organizations and other group agreements). With the significant number of new providers who will be participating in the FirstSource, True Blue and Health Advantage Networks when the AWP law is enforced, the following information should be very helpful in outlining the terms and conditions applicable to all network applicants and participants. Even though the majority of the enclosed information covers policies that have been in place for several years, we encourage everyone to read the entire document to make sure you and your staff are aware of all “Payer Policies and Procedures” and terms and conditions for the networks. The following information contains additions and changes to the current network terms and conditions that are effective immediately.

I. Regional Network Administration

Participation in the networks is divided into regional service areas in which the applying/participating provider is located. Providers wishing to participate in the network for any given region must (a) maintain a practice location within the geographic limits of that region; (b) meet all credentialing standards and terms and conditions for the networks generally; and (c) be willing to accept the allowances, fee schedules, and payment policies for that specific region. Additionally, should any provider furnish services for any reason to any Member outside the region in which the provider’s practice is located, network participating providers must agree to be bound by and accept the allowances, fee schedules, and payment policies in effect for the

1 USAble Corporation is not an insurer or payer, but participates in this publication for purposes of network terms and conditions for its separate PPO networks, Arkansas’ FirstSource® PPO, which is utilized by self-funded health benefit plan payers, and True Blue PPO, which is utilized by, among others, Arkansas Blue Cross and Blue Shield for its PPO Members.

2 While these Payer Policies and Procedures and terms and conditions for network participants shall be deemed to be effective immediately (unless a later effective date is specifically referenced in the text of any specific policy, below), review for compliance and application of the policies/terms to individual providers will be conducted according to the following schedule: (a) for new network applications, these new policies/terms will apply upon review for initial credentialing, and upon any subsequent recredentialing review; (b) for current network participants, these new policies/terms will apply upon the earlier of (i) the next recredentialing review or (ii) any complaint or notice to the networks that a particular network participant fails to meet the requirements of these new policies/terms; or (iii) any other method (including but not limited to claims review, customer service calls or inquiries, newspaper or other media reports, etc.) by which alleged non-compliance is brought to the attention of the network-sponsoring companies, following the publication date of this document.
region in which the provider is enrolled. The networks’ regional service areas currently are based on seven regions, organized by counties and defined as the Northwest, Northeast, West Central, Central, South Central, Southwest and Southeast Regions.

II. Re-Application after Termination from the Networks

If a provider is terminated or excluded from the networks, such termination or exclusion may render the provider ineligible to re-apply or be considered again for network participation for certain specified periods, as referenced more specifically in the subsections, below. Additionally, a previously terminated or excluded provider may be subject to special conditions for re-admission, based on the history of past conduct or violations of contract terms or policies and procedures. It should also be noted that USAble, Health Advantage and their parent entity, Arkansas Blue Cross and Blue Shield have determined that if a provider is removed from one of their separate networks (e.g., if Arkansas Blue Cross removes a provider from its Preferred Payment Plan network) based on a violation of that network’s terms and conditions, the removed provider is rendered ineligible to participate in the remaining networks, i.e., once a provider joins any of the networks, the network sponsors (USAble, Health Advantage and Arkansas Blue Cross and Blue Shield) intend to require good standing with that network as an additional term and condition of participation in the other networks.

(a) Exclusion for Breach of Network Participation Agreement

If a participating provider is excluded from the network for any breach\(^3\) of the network participation agreement, such excluded provider shall not be eligible to apply for re-admission for a minimum period of three years. Depending on the nature of the breach, the network-sponsoring companies further reserve the right to attach special conditions to any such re-admission after three years. By way of example (and without excluding any other possible special conditions), if a provider is excluded for failure to refund duplicate payments when requested, upon re-applying, such provider may be subject to the special condition of a percentage hold-back on claims payments, an interest charge for un-reimbursed duplicate payments, or other requirements to address the past history of contract violations. NOTE: Exclusions for a contract breach that involve violations of utilization, claims or coding policies, Coverage Policy, refusal to recognize member health plan exclusions, or other written standards are subject to special re-application standards and waiting periods, as referenced in subpart (b), below. If a payer or its agent has published a written policy that providers may or should file claims that are known to be excluded from coverage under applicable Coverage Policies whenever such a filing and denial are necessary because of the need to furnish proof of such denials to a secondary payer (under applicable coordination of benefits rules), the preceding standard would not be grounds for a provider’s exclusion in such limited circumstances, provided that secondary payer requirements are in fact the basis for such claims filings. In addition, if a provider has fully complied with the member waiver

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\(^3\) Except for a breach that involves a “restricted” license, as defined in the Practitioner Credentialing Standards of USAble Corporation or Health Advantage; in such cases, the duration of a provider’s ineligibility for network participation shall continue to be governed by the Practitioner Credentialing Standards, which generally apply an ineligibility period of the duration of the license restrictions or two years from the date of the initial restriction, whichever is longer.
requirements of the network participation agreement, prior to administering any services to a member that would not be covered under applicable payer Coverage Policies, then such provision of services shall not be grounds for exclusion from the networks, so long as provider does not bill the applicable payer for such services

(b) Exclusion for Violations of Utilization, Claims or Coding, Coverage Policy or other Written Standards
If a participating provider is excluded from the network for a failure or refusal to comply with the utilization standards, claims filing or coding policies, Coverage Policies or any other written standards of the network-sponsoring companies after provider receives written warning of non-compliance with such standards or policies, such excluded provider shall not be eligible to apply for re-admission until five years have elapsed following such exclusion. Depending on the nature of the breach, the network-sponsoring companies further reserve the right to attach special conditions to any such re-admission after five years, including but not limited to any measure that, in the network-sponsoring company’s judgment, is needed to address the history of past violations. Such measures may include but are not limited to reducing the allowance or fee schedule applicable to such re-admitted provider, or requiring such previously excluded provider to submit to pre-admission audit of random samples of medical records, patient files or insurance claims (such audits to be conducted as part of credentialing activity, which allows covered entity payers access to protected health information under applicable HIPAA Privacy rules) for the purpose of investigating whether the previous violations of standards have been corrected in the intervening five years. If the provider fails to fully cooperate in such an audit, or if ongoing violation of standards is found in any such pre-admission audit, the applying provider shall not be eligible for readmission to the networks.

(c) Exclusion for False or Misleading Claims
If a participating provider is excluded from the network for filing any false or misleading claim, or engaging in or assisting any other person or individual in the presentation of any false or misleading information (including but not limited to any claims data, medical background or records, employment history or status, or other coverage eligibility information) to any insurer, HMO or self-funded payer, such excluded provider shall not be eligible to apply for re-admission to the networks, and shall be permanently disqualified from participation.

NOTE: Providers are deemed responsible for all actions of any employee or agent of the provider, including but not limited to nursing or administrative staff, office managers or personnel, billing clerks, billing services, practice management agents or vendors, software vendors or others working on provider’s behalf to file any claims data or to otherwise furnish any information to insurers, HMOs or other payers. If false or misleading claims (or any other data) are sent to any insurer, HMO or payer accessing the networks, participating providers may be excluded and permanently disqualified from network participation even though such providers contend or could show that participating provider was not personally aware of or involved in the presentation of such information. The networks cannot conduct continual, full-scale audits of all claims or all providers, and must therefore be able to rely on
providers to appropriately monitor their staff and vendors, and to take prompt corrective action if any problem is identified.

(d) Curing a Contract Breach Prior to Termination

Current network participation agreements recognize that a material breach of the contract may be cured to avoid immediate termination if the network-sponsoring company requests such cure, and if an offending provider fully cures the breach within five business days after written request from the network-sponsoring company. While this provision is not being changed, it should be noted that not all contract breaches are capable of being cured, and if a breach is one that cannot be fully cured then immediate termination cannot be avoided in such instances. For example, a provider who breaches the contract and network term that privileges must be maintained at a participating hospital, or that minimal malpractice coverage be maintained, could fully cure that breach, upon request of the network sponsor, by obtaining such privileges or malpractice coverage within five business days of written request from the network sponsor. However, a provider who breaches the contract and network terms requiring compliance with applicable utilization standards, or coding or claims filing policies, or Coverage Policies, or medical records/documentation standards (among other possible examples) will ordinarily not be able to fully cure such breaches because past actions cannot be erased or reversed completely (even if financial restitution is made). Likewise, a provider who knowingly files false or misleading claims or related data with any payer cannot fully cure such action. Accordingly, participating providers agree that only those contract breaches for which the network sponsor specifically requests cure within the five business day period will be eligible for cure to avoid termination.

III. Providers’ News Notices and Articles

Network participation agreements currently stipulate that participating providers may receive notices of policy changes via Providers’ News (as well as through websites of applicable payers such as Arkansas Blue Cross and Blue Shield or Health Advantage). It is important for all participating providers to understand that the role of Providers’ News will be further enhanced in the new AWP environment, as a source of notice concerning network terms and conditions. All participating providers are responsible for ensuring that such providers and their office staff monitor and pay regular and close attention to the notices and articles published in Providers’ News, as it represents an efficient method of communication with network-participating providers on a state-wide basis. Claims filed or other actions taken by a participating provider or their office staff or other representatives that fail to follow instructions published in Providers’ News shall constitute grounds for exclusion from the networks, regardless of whether a participating provider has personally received or read the Providers’ News publication, and regardless of whether any individual employed or otherwise working with provider has been assigned responsibility for monitoring Providers’ News. It should be noted that past editions of Providers’ News are available on the website of Arkansas Blue Cross and Blue Shield, to which all participating providers have access via the internet.
IV. Provider Manuals

All participating providers have been and will continue to be subject to the terms and conditions set forth in Provider Manuals of payers such as Arkansas Blue Cross and Blue Shield and Health Advantage, as well as any separate Provider Manual of non-payer networks such as USAble Corporation/BlueAdvantage Administrators of Arkansas (“BAAA”) or True Blue PPO. The Provider Manual is an operational handbook and set of guidelines furnished for the convenience and guidance of providers and their office staff. The Provider Manual serves as a resource for answers to common provider questions about health plan coverage policies and procedures, as well as an outline of some basic required administrative procedures for proper processing of claims and participation as a participating provider. The current version of the Arkansas Blue Cross and Blue Shield Provider Manual is posted to the Arkansas Blue Cross and Blue Shield website. Updated Provider Manuals for Health Advantage and USAble Corporation (BAAA) are expected to be published on their respective websites within several months. Applying providers must agree, as a term and condition of participation, to abide by the Provider Manuals of applicable payers and all participating providers must follow the guidelines, procedures and policies set forth in such Provider Manuals, if they are to remain eligible for network participation. Until the publication of updated Provider Manuals for Health Advantage and USAble Corporation/BAAA, participating providers in the Arkansas’ FirstSource® PPO, True Blue PPO and Health Advantage HMO networks shall be obligated to follow the general provisions and guidelines of the Provider Manual of Arkansas Blue Cross and Blue Shield, including, when published, the updated version of the Arkansas Blue Cross and Blue Shield Provider Manual, which is expected to be posted to the Arkansas Blue Cross and Blue Shield website in the next several weeks. Failure to accept or follow any term or condition of the Provider Manual shall constitute grounds for exclusion from the networks, regardless of whether a participating provider has personally received or read the Provider Manual, and regardless of whether any individual employed or otherwise working with provider has been assigned responsibility for monitoring Provider Manuals. Participating providers who lack internet access may request a hard copy of the Provider Manuals, but in doing so must recognize that updates may be posted at any time to the website version, and hard copy updates will not be provided, except upon specific follow-up request from such provider. As a term and condition of network participation, providers are expected to make their own arrangements for internet access so as to have and maintain ready access to posted materials, including the Provider Manuals. (Written notice of changes to the Provider Manual ordinarily will also be published in Providers’ News, although a complete new edition of a Provider Manual ordinarily will not be issued or published in that manner.)

V. Coverage Policies

Network-participating providers must, in order to be eligible for continuing network participation, agree to accept and abide by the Coverage Policy of the insurer, HMO or self-funded payer for whose members’ benefit the network is operated. Coverage Policies for payers such as Arkansas Blue Cross and Blue Shield (accessing the True Blue PPO network for some of its members) and Health Advantage have been established with active input from practicing physicians across the state of Arkansas who serve on various regional committees organized, in part, for that purpose. Coverage Policies are written to reflect evidence-based medical care as
reflected in peer-reviewed medical literature and to reflect concurrence with the Primary Coverage Criteria, which is a coverage standard incorporated into many health plans or insurance contracts for Members of Arkansas Blue Cross and Blue Shield or Health Advantage. Coverage Policies and the rationale for such policies are publicly accessible on the websites of Arkansas Blue Cross and Blue Shield and Health Advantage. The rationales are based on the evidence listed in each separate Coverage Policy. Appeal mechanisms are available to both the affected Member and provider when they disagree with the application of a particular Coverage Policy to a specific claim. Coverage Policies may change (either to broaden or restrict coverage) based on new information that meets the Primary Coverage Criteria or other required standards of a Member’s health benefit plan or insurance contract. Requests for changes in Coverage Policies are welcome, if the requesting party presents supporting data from multicenter randomized trials, adequately populated prospective controlled trials, or expert opinion, as such expert opinion is defined in the Primary Coverage Criteria or other provisions of a Member’s health benefit plan or insurance contract. Coverage Policies specific to self-funded payer health benefit plans (if any) may also be posted to the BlueAdvantage Administrators website of USAble Corporation. Compliance with such Coverage Policies is a specific condition of the written network participation agreement, so this policy/term is not new; however, the following supplements the formal contract provision to provide additional details and requirements:

(a) **Individual Provider Responsibility for Compliance**

Participating providers are responsible for making sure that claims filed with any insurer, HMO or self-funded payer accessing the networks comply with applicable Coverage Policies as posted to the websites, regardless of whether a participating provider has personally accessed the websites, and regardless of whether any individual employed or otherwise working with provider has been assigned responsibility for monitoring the websites. Participating providers who lack internet access may request a hard copy of specific Coverage Policies, but in doing so must recognize that updates may be posted at any time to the website version, and hard copy updates will not be provided, except upon specific follow-up request from such provider. As a term and condition of network participation, providers are expected to make their own arrangements for internet access so as to have and maintain ready access to posted materials, including the Coverage Policies (however, it should be noted that changes to Coverage Policies will also ordinarily be published by notice in *Providers’ News*.)

(b) **Noncompliance is grounds for network exclusion**

A provider who receives written notice directed specifically to such provider of a violation of published Coverage Policies of a payer accessing the networks, and who thereafter fails or refuses to accept and follow the Coverage Policies of such payer, as posted to the websites (or as otherwise published to providers generally through *Providers’ News* or specific correspondence of any payer or its agent to providers) shall be subject to exclusion from the networks. Providers who disagree with such Coverage Policies shall remain free to follow any course of practice or treatment they deem appropriate with respect to patients, and such providers may choose to challenge a reimbursement decision based on a Coverage Policy by internal appeals, external review, arbitration or any other avenue otherwise open to such provider for administrative or legal challenge; however, if an internal appeal within the insurer, HMO or self-funded payer is denied, or if provider loses any external review,
arbitration or other administrative or legal challenge, or if provider fails to pursue any internal appeal or administrative or legal challenge, participating providers who thereafter persist in refusing to accept or follow Coverage Policies, after receiving written warning from the applicable payer or its agent, shall not be eligible for continued network participation, and shall be excluded from participation on that basis. If a payer or its agent has published a written policy that providers may or should file claims that are known to be excluded from coverage under applicable Coverage Policies whenever such a filing and denial are necessary because of the need to furnish proof of such denials to a secondary payer (under applicable coordination of benefits rules), the preceding standard would not be grounds for a provider’s exclusion in such limited circumstances, provided that secondary payer requirements are in fact the basis for such claims filings. In addition, if a provider has fully complied with the member waiver requirements of the network participation agreement, prior to administering any services to a member that would not be covered under applicable payer Coverage Policies, then such provision of services shall not be grounds for exclusion from the networks, so long as provider does not bill the applicable payer for such services.

NOTE: Even if a provider wins an external review, arbitration or other administrative or legal challenge, if the provider thereafter refuses to comply with the challenged Coverage Policy, such provider may still be excluded from the network unless the insurer, HMO or self-funded payer whose Coverage Policy was challenged changes the policy as a result of the external review, arbitration or other administrative or legal challenge. In other words, merely because an external reviewer, arbitrator, agency or court requires payment to a provider on a particular claim or set of claims does not mean the provider can ignore the Coverage Policy adopted by payers accessing the network, if provider wishes to continue to be a network participant. (Of course, if a final, binding court decision invalidates and enjoins enforcement of the Coverage Policy, or mandates its modification, payers will be obligated to comply, but in the absence of any such decision, providers cannot circumvent the network participation terms and conditions merely by winning a claims payment dispute with the payer). Providers in such circumstances, are choosing to disqualify and exclude themselves from participation if they persist in rejecting applicable Coverage Policy.

VI. Utilization Standards

A. Utilization Standards Applicable to All Disciplines

Network participation agreements currently require compliance by participating providers with applicable utilization policies and programs of the networks or payers utilizing the networks. The network-sponsoring companies or payers utilizing the networks may establish utilization standards, including but not limited to ratings of a participating provider in comparison to a designated peer group of other participating providers, or to state or national statistical averages, or the recommendations of any independent source such as medical research or analysis organizations, Medicare or other government programs. Participating providers must cooperate fully in all such utilization programs (including but not limited to furnishing of all claims or practice data needed to evaluate participating provider’s compliance with utilization criteria), and must comply with such standards, as a term and
condition of continuing network participation. Failure to accept and meet all utilization standards shall be grounds for exclusion from the networks. Prior to implementation of new utilization standards not currently in use, USAble Corporation and Health Advantage intend to review such new standards with a representative group of practicing physicians to solicit and obtain their input, and may also elect to have such new utilization standards reviewed by an external organization having expertise in clinical or practice guidelines and standards.

Network sponsors or payers may elect to refer any perceived utilization issue of a participating provider to an external reviewer or external review organization. Participating providers must fully cooperate with any such external review in responding to inquiries and furnishing any requested information. Failure to fully cooperate shall be grounds for exclusion from the networks.

NOTE: Providers with identified utilization issues or outlier status may be subject to probationary status and special conditions for continued participation, or other measures short of network termination, including by way of example, and not to exclusion of any other conditions, requirement to submit medical records with all claims or percentage hold-backs on claims payments. If a participating provider under review for utilization issues refers patients to another provider, or otherwise takes any steps to hide over-utilization, the utilization on such referrals may be attributed to such participating provider.

B. Utilization Standards Applicable to Certain Non-Physician Disciplines

The networks have a history of contracting with physicians, and have developed over time a number of utilization programs that physicians are required to cooperate with, and may be evaluated against. With respect to certain non-physician disciplines, however, the networks generally do not have experience with direct contracting, and therefore do not have a history of developed utilization programs for such disciplines. Until such programs can be developed, the networks have determined that the following utilization standards shall be applied to initial or recredentialing network applicants or participants in the specified non-physician disciplines:

1. Specific Disciplines: The non-physician disciplines (hereinafter referred to collectively as “Eligible Disciplines”) covered by these utilization standards are:

   - Licensed Occupational Therapists
   - Licensed Physical Therapists
   - Licensed Respiratory Therapists
   - Licensed Speech Pathologists
   - Licensed Professional Counselors
   - Licensed Psychological Examiners
   - Licensed Certified Social Workers
   - Licensed Audiologists
   - Licensed Dietitians
   - Certified Orthotists
   - Certified Prosthetists
Psychologists

2. Outline of Utilization Standard

(a) Key Terms and Conditions for Applying Standard

Eligible Disciplines will be evaluated for significant utilization in comparison to their peer group, as determined based on historical claims data available to USAbled Corporation, Health Advantage or their affiliated company, Arkansas Blue Cross and Blue Shield, or any combination of claims data from some or all three such entities. (In other words, if one or more of the three entities has past claims data relevant to an applicant or participant in an Eligible Discipline, such claims data may be used for purposes of evaluating the applicant’s or participant’s utilization for purposes of this standard).

“Significant Utilization,” for purposes of this standard means that the applicant or participant being reviewed has a rate of utilization that, for any relevant category is 40% or more above the rate of his or her peer group average.

“Relevant Category” means the following six categories, which are subdivided into “Major” and “Minor” classifications, for which applicants/participants in Eligible Disciplines will be evaluated:

**Major:**
- Allowed dollars per patient
- Allowed dollars per service
- Visits per patient

**Minor:**
- Procedures per patient
- Services per visit
- Diagnostic tests per patient

“Peer Group” means other members of the same Eligible Discipline for which the networks have available claims data.

These utilization standards will be applied, and an applicant or participant will be evaluated against his or her peer group when the networks have available claims data on 10 or more members of USAbled Corporation, Health Advantage or Arkansas Blue Cross and Blue Shield. These utilization standards shall not apply for any applicant or participant for whom the networks have claims data for fewer than 10 members over the five years preceding the date of the networks’ review.

(b) Application of Standard
Eligible Disciplines with the following significant utilization issues shall be ineligible for participation in the networks and will be excluded therefrom on initial application or at the time of recredentialing:

- Significant utilization issues in any combination of 4 relevant categories
- Significant utilization issues in all 3 major relevant categories
- Significant utilization issues in 2 major relevant categories and 1 or more minor relevant categories

(c) Duration of Ineligibility and Opportunity for Reconsideration

Any provider in an Eligible Discipline who is excluded from the networks under the utilization standards referenced above shall be ineligible to participate in the networks for 36 months following the networks’ review and determination of utilization status (the “Ineligibility Period”). Following lapse of the Ineligibility Period, the affected provider shall be eligible for reconsideration based on any new claims data then available. If no new claims data is available at such time, these utilization standards will not apply again to the affected provider until such time as the networks obtain additional claims data as to such affected provider for 10 or more members.

(d) Improvement Criteria

Any provider in an Eligible Discipline who has been excluded from the networks based on significant utilization issues as referenced above, and who becomes eligible for reconsideration after lapse of the Ineligibility Period, must meet the following improvement criteria for past utilization issues, in order to qualify for admission thereafter:

If new claims data for 10 or more members is available to the networks in order to allow a comparison of the affected provider’s utilization in the six relevant categories between the utilization as assessed at the time of exclusion and utilization thereafter, the affected provider may be admitted\(^4\) or re-admitted if:

(i) he or she shows improvement of at least 50% in all relevant categories in which significant utilization issues previously were identified, and there are no new significant utilization issues in other relevant categories, or

(ii) if the affected provider is then no greater than 10% above his or her peer group average in all major relevant categories, and has made improvement of at least 10% in each of the minor relevant categories in which significant utilization issues previously were identified.

\(^4\) Subject to satisfaction of all other network credentialing standards, terms and conditions, as further referenced in sub-paragraph 3, below.
If new claims data for 10 or more members, as referenced above, is not available to the networks after expiration of the Ineligibility Period and upon reconsideration, these utilization standards will not apply again to the affected provider until such time as the networks obtain additional claims data as to such affected provider for 10 or more members.

3. **Special Note on Other Credentialing/Re-credentialing Standards**

The preceding outline of utilization standards is not a substitute for, but a supplement and addition to, the other network credentialing standards that the networks have adopted and apply routinely to all applicants and participants from Eligible Disciplines upon their initial credentialing into the networks, or upon re-credentialing. Credentialing and admission are ordinarily granted for a two-year period, at which time re-credentialing review is conducted. The networks reserve the right to shorten the initial credentialing or re-credentialing period to one year in some instances, if deemed appropriate based on past claims history or other issues identified as to a particular provider. Eligible Discipline Providers’ compliance with all applicable networks standards, including the preceding utilization standards and other network terms and conditions, as well as credentialing standards, must be re-evaluated and re-confirmed upon re-credentialing. Providers from Eligible Disciplines who improve their utilization rates so as to qualify under the preceding utilization standards, but who fail to qualify under other network credentialing standards or terms and conditions shall not be eligible for admission or re-admission to the networks merely because of the improvement in utilization, i.e., all other standards must be met as well.

4. **Special Note on Other Utilization Standards or Issues**

The preceding “relevant categories” of utilization issues do not cover all possible “utilization” issues with any provider. The networks reserve the right to identify other excessive or questionable utilization issues or concerns, and to require compliance with the networks’ utilization management programs, policies and procedures as appropriate. The mere fact that a given provider does not have any “significant utilization” issue in the “relevant categories” as referenced and defined above, does not mean that other aspects of the provider’s practice or claims filings may not be questioned, or that they are considered appropriate.

**VII. Publication of Utilization, Quality and Other Practice Data**

As a term and condition of network participation, all participating providers are asked to agree, and in the absence of a negative response sent by certified letter, are deemed to authorize insurers, HMOs or self-funded payers whose members utilize the networks, to publish to such
members, customers and to the public generally (subject, of course, to applicable member confidentiality requirements and HIPAA Privacy standards) any data regarding the rates of utilization or performance of services by such participating provider, any data regarding quality of services provided to members, any data (again, subject to protection of member identification/confidentiality) regarding member complaints, any data regarding malpractice claims, including but not limited to the filing of such claims, settlement of any such claims, insurance payments made as to such claims, judgments or awards made as to such claims, any data regarding complaints to the State Medical Board or other regulatory or disciplinary authorities regarding such participating provider, any data regarding provider’s education, professional training, practice history, prior locations and licensure in any jurisdiction, and any other data concerning participating provider and provider’s professional qualifications, competency or practice that may be useful and informative to such members, customers and the public generally.

As a term and condition of network participation, participating providers agree to release the insurer, HMO or self-funded payer and their agents or representatives from any claims or liabilities related to the publication of any provider data to members, customers or the public generally, so long as such publication is not deliberately and maliciously false.

Providers who refuse to release any data for purposes of publication as referenced herein, or who decline to release insurers, HMOs or self-funded payers and their agents and representatives from any claims or liabilities related to the publication of any provider data to members, customers or the public generally, so long as such publication is not deliberately and maliciously false.

Providers who refuse to release any data for purposes of publication as referenced herein, or who decline to release insurers, HMOs or self-funded payers and their agents and representatives from any claims or liabilities related to the publication of any provider data to members, customers or the public generally, so long as such publication is not deliberately and maliciously false.

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Providers who refuse to release any data for purposes of publication as referenced herein, or who decline to release insurers, HMOs or self-funded payers and their agents and representatives from any claims or liabilities related to the publication of any provider data to members, customers or the public generally, so long as such publication is not deliberately and maliciously false.

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VIII. Criminal Investigations, Charges or Convictions, or Government Programs Investigations

Any provider who is charged with commission of a crime may be excluded from the networks, regardless of whether the crime is a misdemeanor\(^5\) or a felony, and regardless of whether a trial

\(^5\) Not all misdemeanors shall be grounds for network exclusion. For example, in most circumstances, minor traffic violations, speeding tickets, etc. would not be considered relevant (although a pattern of repeat offenses, especially if others are injured by such violations, might be deemed appropriate grounds for network action). The intention is
has been held, a conviction is obtained, or the charges are later withdrawn, settled or otherwise dismissed or resolved. The network sponsors and payers shall have the right to take all circumstances into account in consideration of their member’s safety and the general business reputations of the network sponsors and payers.

In appropriate cases, the network sponsors or payers shall be entitled to exclude providers under investigation by any criminal law enforcement agency or process (including but not limited to grand juries or prosecuting attorneys), or by any government program (including but not limited to Medicare, Medicaid, state attorneys general or the U.S. Office of Inspector General). NOTE: While the preceding addresses possible exclusion for criminal charges or investigations prior to conviction, it remains a network credentialing standard that any felony conviction is grounds for network exclusion, the only exception being in specified circumstances involving a government executive pardon.

IX. Malpractice Claims

The networks’ credentialing standards have always taken malpractice claims into account in evaluating providers for initial and ongoing credentialing for participation in the networks. Providers have been and will continue to be subject to exclusion based on their malpractice history. In looking at malpractice history, the networks reserve the right to exclude a provider based on the number of cases filed against a provider, the types of cases filed, the amount of any settlement made on behalf of the provider, as well as any combination of the preceding factors or any other factors that appear relevant to evaluating the provider’s degree of culpability or responsibility for alleged harm to a patient. The networks shall be entitled to exclude a provider based on their assessment of the provider’s malpractice background, regardless of whether some or all claims have been dismissed, withdrawn, settled or resolved at trial, i.e., the networks reserve the right to make an independent judgment regarding whether the provider’s conduct, as questioned in the malpractice allegations, was negligent or otherwise culpable so as to disqualify the provider from network participation. While most malpractice activity is of such a nature that it must be evaluated on a case-by-case basis, the networks have determined that it is necessary to set some minimal standards of disqualification, regardless of any other factors or circumstances. These minimal standards\(^6\) include the following:

(a) Any provider who has more than 10 malpractice lawsuits filed against the provider in the most recent ten year period prior to the date of application or credentialing/recredentialing review is disqualified and shall be excluded from the networks on that basis alone,

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\(^6\) NOTE: The fact that a provider’s malpractice history falls within these minimal standards does NOT mean that such provider is exempt from exclusion based on malpractice history. For example, a provider who has 7 malpractice lawsuits filed against him in the past 10 years could still be excluded because of the nature of those lawsuits, the amount of the settlements or judgments, or other related circumstances. The minimal standards are merely for purposes of setting a standard, below which the networks will decline to look at alleged extenuating circumstances or explanations, and will mechanically apply the minimal standards without further inquiry or evaluation.
irrespective of any other factors, including but not limited to the fact that any of the lawsuits might have been dismissed or withdrawn, or resulted in a trial verdict in favor of the provider.

(b) Any provider who has moved practice locations\(^7\) three or more times in the most recent ten year period prior to the date of application or credentialing/recredentialing review, and who also had three or more malpractice lawsuits filed against the provider during the same ten year period, is disqualified and shall be excluded from the networks on that basis alone, irrespective of any other factors, including but not limited to the fact that any of the lawsuits might have been dismissed or withdrawn, or resulted in a trial verdict in favor of the provider. Any provider who moves to Arkansas from another state or jurisdiction and whose malpractice history reflects that more than five malpractice lawsuits were filed against the provider is disqualified for a minimum period of three years on that basis alone, irrespective of any other factors, including but not limited to the fact that any of the lawsuits might have been dismissed or withdrawn, or resulted in a trial verdict in favor of the provider.

(c) Any provider who has had five or more malpractice lawsuits filed against the provider, and who also has received any form of discipline, probation, warning, reprimand, censure, admonition, educational requirement, fine, penalty or other adverse action (“Sanction”) from any state medical board or similar state or federal disciplinary authority or agency is disqualified for a minimum period of three years on that basis alone, irrespective of any other factors, including but not limited to the fact that any of the lawsuits might have been dismissed or withdrawn, or resulted in a trial verdict in favor of the provider, or the fact that the medical board or other disciplinary authority or agency may have withdrawn, modified, stayed or suspended its original Sanction at the time of Provider’s initial credentialing or recredentialing review.

NOTE: The minimum three-year disqualification period referenced in subsections (b) and (c) above, shall begin upon the date of the credentialing or recredentialing decision that first follows the publication date of this Notice, except that if the affected provider appeals the credentialing or recredentialing decision, the minimum three-year disqualification period shall begin upon the date of any adverse Appeals Committee decision on such appeal. The minimum three-year disqualification period may be extended based on the number of malpractice claims, the nature of such claims, the amount of any settlement(s), or the number or nature of any Sanctions.

X. Moving Practice Locations

Because providers with competency, quality or other problems arising in one location sometimes move to another, the networks reserve the right to take into account how often a provider has moved practice location, and may, in some circumstances, exclude a provider from network participation based on the number or nature of such moves. For purpose of these policies/terms, the phrase “moving” or “moved” in reference to “practice locations” means and includes the following two-part definition (a and b):

\(^7\) A move of practice locations, for purposes of these policies/terms is defined in the “Moving Practice Locations” section, below.
(a) changing the physical location at which the provider spends the majority of the provider’s weekly work activities from one country to another country, from one state to another state, from one city to another city, or from one county to another county; or
(b) Time spent in the military or medical school or a residency or fellowship program shall not count as a “practice location” except in the following circumstances: (i) any resident who begins a residency program and fails to satisfactorily complete that residency in the original location shall be deemed to have moved practice locations upon entering into any subsequent residency program in a different country, state or city; and (ii) any discharge, termination or other cessation of a military medical position that is involuntary or dishonorable shall be deemed a move of practice location (and may also independently disqualify such provider from participation in the networks, depending on the nature of the discharge, termination or other cessation of a military medical position).

While review of practice location moves will generally be conducted on a case-by-case basis, taking the relevant circumstances into account, the networks have established the following minimal standards\(^8\) of disqualification, regardless of any other factors or circumstances. These minimal standards include the following:

1. A provider who has moved practice locations between states 6 times or more during the most recent past 10 year period is disqualified and shall be excluded from the networks on that basis alone, irrespective of any other factors.
2. A provider who has moved practice locations between cities, or between counties, or between a combination of cities and counties, 10 times or more during the most recent past 6 year period is disqualified and shall be excluded from the networks on that basis alone, irrespective of any other factors.
3. A provider who has moved practice locations between countries 3 times or more during the most recent past 5 year period is disqualified and shall be excluded from the networks on that basis alone, irrespective of any other factors.

**XI. Claims Filing and Coding Policies**

Network-participating providers must, in order to be eligible for continuing network participation, agree to accept and abide by the claims filing and coding policies of the insurer, HMO or self-funded payer for whose members’ benefit the network is operated. (Access to coding information is available to providers through the Advanced Health Information Network (“AHIN”), an on-line claims filing and data service offered free of charge to all providers participating in the separate networks of Arkansas Blue Cross and Blue Shield, USAble Corporation and Health Advantage. For additional guidelines and sources on coding policies, code-specific coding information (“CSCI”) and coding combinations are available to providers via AHIN’s CSCI functionality, as well as via the “Clear Claim Connection” software program.

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\(^8\) NOTE: The fact that a provider’s history of moving practice locations falls within these minimal standards does NOT mean that such provider is exempt from exclusion based on moving practice locations. For example, a provider who has moved practice locations between states 5 times in the past 10 years could still be excluded because of the nature of or reasons for those moves, or other related circumstances. The minimal standards are merely for purposes of setting a standard, below which the networks will decline to look at alleged extenuating circumstances or explanations, and will mechanically apply the minimal standards without further inquiry or evaluation.
that may be accessed via links on AHIN). Compliance with such claims filing and coding policies is a specific condition of the written network participation agreement, so this policy/term is not new; however, the following supplements the formal contract provision to provide additional details and requirements:

(a) Individual Provider Responsibility for Compliance

Participating providers are responsible for making sure that claims filed with any insurer, HMO or self-funded payer accessing the networks comply with applicable claims filing and coding policies as established by the insurer, HMO or self-funded payer and announced to participating providers by any form of written communication, including but not limited to remittance advices, Providers’ News articles, individual letters or email, or postings to websites of Arkansas Blue Cross and Blue Shield, Health Advantage or BlueAdvantage Administrators of Arkansas. Participating providers are responsible for compliance with all claims filing and coding policies regardless of whether a participating provider has personally accessed the websites, or has personally read any Providers’ News article, email, letter or remittance advice, and regardless of whether any individual employed or otherwise working with provider has been assigned responsibility for monitoring the websites, Providers’ News, emails, letters or remittance advices.

(b) Noncompliance is grounds for network exclusion

A provider who receives written notice directed specifically to such provider of a violation of claims filing and coding policies of a payer accessing the networks, and who thereafter fails or refuses to accept and follow such policies shall be subject to exclusion from the networks. Providers who disagree with such policies/ terms may choose to challenge a particular claims decision or determination by internal appeals, external review, arbitration or any other avenue otherwise open to such provider for administrative or legal challenge; however, if an internal appeal within the insurer, HMO or self-funded payer is denied, or if provider loses any external review, arbitration or other administrative or legal challenge, or if provider fails to pursue any internal appeal, or administrative or legal challenge, participating providers who thereafter persist in refusing to accept or follow claims filing or coding policies/terms shall not be eligible for continued network participation, and shall be excluded from participation on that basis.

NOTE: Even if a provider wins an external review, arbitration or other administrative or legal challenge, if the provider thereafter refuses to comply with the challenged claims filing and coding policy or term, such provider may still be excluded from the network unless the network or the insurer, HMO or self-funded payer whose claims filing or coding policy or term was challenged changes the policy or term as a result of the external review, arbitration or other administrative or legal challenge. In other words, merely because an external reviewer, arbitrator, agency or court requires payment to a provider on a particular claim or set of claims does not mean the provider can ignore the claims filing or coding policies or terms adopted by the network or by payers accessing the network, if provider wishes to continue to be a network participant. (Of course, if a final, binding court decision invalidates and enjoins enforcement of the claims filing or coding policy or term, or mandates its modification, the networks and payers will be obligated to comply, but in the absence of any such decision, providers cannot circumvent the network participation terms and conditions
merely by winning a claims payment dispute with the payer). Providers in such circumstances are choosing to disqualify and exclude themselves from participation if they persist in rejecting applicable claims filing or coding policies or terms.

(c) Abusive or Deceptive Claims Practices

Network-participating providers must be aware and agree that payers who receive claims from such providers are relying on the completeness and accuracy of the data submitted on the claim form, whether the form is submitted electronically or otherwise. Each data entry is critical to the correct processing of the claim. Participating providers who use the American Medical Association’s CPT Manual, ICD-9 procedure codes, HCPCS codes, or the successor or updated versions of any of these established coding conventions to file claims with payers are deemed to make an affirmative representation of fact to the payer that the services or procedures performed are, in fact, the services or procedures described in the code the provider selected and used from the CPT Manual or ICD-9 or HCPCS publications, as reflected on the claim submitted. Submission of a claim that uses an incorrect CPT, ICD-9 or HCPCS code shall be deemed to be an abusive and deceptive practice (and may even constitute fraud) unless clearly accidental and limited to a single source of error (e.g., multiple claims submitted at the same time due to one human or computer error). Any participating provider who, after receiving written notice of incorrect or inaccurate coding or other incorrect or inaccurate claims submission practices, submits any claim under an incorrect code, or uses a code that does not, in fact, describe the service performed, or who submits other inaccurate or misleading information in connection with a claim, shall be subject to exclusion from the network on that basis. Furthermore, even if submission of incorrect claims was accidental and limited to a single source of error, if the error is repeated after being brought to the attention of participating provider, such provider shall be subject to network exclusion on that basis alone, regardless of whether the inaccuracy was done knowingly, and regardless of the reasons for the repeat error because the network-sponsoring companies must be able to rely on participating providers to diligently correct any claims submission errors and problems to avoid repetition, particularly where such problems have been brought to participating provider’s attention. (NOTE If it is found that a provider had actual knowledge of submitting a false or inaccurate claim, such provider may be subject to network exclusion without first receiving a written notice of the deliberately inaccurate or false submission, i.e., if actual knowledge of false submission is shown, a second chance after notice/warning need not be given).

(i) Billing Services or Agents Do Not Excuse Non-Compliance

The fact that the participating provider uses a billing service, practice management company, or other third party, or a software program created or managed by any such third party, or that any current or former employee, office staff, office manager or other personnel or agents of participating provider (“Agents”) may be partly or wholly responsible for the submission of participating provider’s claims, or that participating provider can show that provider had no actual knowledge of the actions or representations of such Agents, shall NOT constitute grounds for avoiding responsibility or network exclusion for submission of incorrect claims, or any abusive or deceptive claims practices. The network-sponsoring companies and payers cannot constantly audit all participating providers on a day-to-day basis, and must therefore rely on participating
provider for assurances that billing services, employees, and agents of any kind who assist participating provider in the submission of claims will comply with all applicable claims filing and coding policies/terms, and will accurately represent the services performed.

(ii) Specific Examples of Abusive/Fraudulent Claims or Coding Practices
Specific examples of other claims filing or coding practices that are deemed to be abusive or fraudulent may be found in past or future editions of Providers’ News, or in the Provider Manual or websites of Arkansas Blue Cross and Blue Shield, Health Advantage or USAbled Corporation (BlueAdvantage Administrators of Arkansas), and all participating providers in the Arkansas’ FirstSource® PPO, True Blue PPO and Health Advantage HMO networks shall be held accountable for such specific examples (in addition to the general standards outlined here), where previously published, or, for updated Provider Manuals, immediately upon publication to the respective websites of updated Provider Manuals (anticipated to be completed in the next several weeks for Arkansas Blue Cross and Blue Shield, and within the next several months for Health Advantage and USAbled Corporation).

XII. Review and Use of Claims Data

Network participation agreements for Arkansas’ FirstSource®, True Blue PPO and Health Advantage already recognize and agree that USAbled and Health Advantage may conduct utilization studies or programs, including physician profiling, using the claims data that participating providers submit to either USAbled or Health Advantage or to any affiliated companies of either. Participating providers must therefore understand and agree, as a term and condition of participation, that claims submitted to Arkansas Blue Cross and Blue Shield, which is the parent organization of USAbled Corporation and of Health Advantage, may be subject to review and use in utilization studies or practice profiles of USAbled Corporation or Health Advantage, and vice versa. The claim utilization pattern or rate of a participating provider in Arkansas’ FirstSource® PPO (or True Blue PPO or Health Advantage HMO) may thus be derived from a combination of the claims data submitted to any of these independent but affiliated companies. Refusal of any participating provider to authorize the release to and use of any claims data for utilization programs, studies or practice profiles of the three affiliated companies shall be grounds for exclusion from the networks.

XIII. Medical Records/Documentation of Services Provided

Current participation agreements require maintenance of contemporaneous medical records to document the services performed. Providers are further subject, under current credentialing standards, to on-site audit of medical records and claims documentation, using an established set of audit measurements for accuracy, completeness and appropriateness of medical records and documentation of services. While it is long-established practice, not only for Medicare, but also for most private payers, to require that providers submit claims using Current Procedural Terminology codes and related standards, as published by the American Medical Association, and while virtually all providers submitting claims to both government and private payers commonly use such CPT codes and related standards, the network-sponsoring companies wish to
make it explicit that where the CPT Manual calls for documentation to support a given code or claim utilizing that code, such documentation standards from the CPT Manual shall constitute the minimal documentation requirements for network participation. The networks or payers utilizing the networks may adopt and publish additional or modified standards for medical records and related documentation, but in the absence of such specific standards, participating providers should understand and must agree that the CPT Manual’s documentation provisions apply to all claims submitted, and establish the threshold for evaluating adequacy of claim documentation. Audit criteria currently in use for network participation shall continue to apply, but the networks additionally wish to clarify and make explicit a fact that has been present impliedly all along, i.e., that claims submitted using CPT codes should be supported, at a minimum, by the documentation referenced in the CPT Manual for such codes.

XIV. Hospital Privileges

Maintenance of staff privileges at a network-participating hospital has always been a requirement for network participation in USAble’s PPO networks and Health Advantage’s HMO network. However, in recent years such privileges have included a level of hospital privileges less demanding or intense than full admitting privileges (e.g., some hospitals have implemented reduced levels or degrees of privileges, below the level of full admitting privileges, such as “courtesy privileges” or the like). USAble and Health Advantage will no longer accept such reduced levels or degrees of hospital privileges, and instead will now require (except in specific instances outlined below) as a term and condition of network participation that participating providers must have and maintain at a participating hospital no more than 35 miles from their primary practice location hospital privileges that equate to the highest level or degree of full admitting privileges recognized or utilized by such hospital.

Exceptions to this “highest level of full admitting privileges” standard may include one or more of the following, as applicable to a given provider:

1) Temporary hospital privileges may be accepted in the sole discretion of the network sponsoring company and the Credentialing Committee, provided, at a minimum, that the applicable hospital’s review procedures and standards for granting temporary staff privileges are equivalent in scope to the review procedures and standards for full, active staff privileges at the highest level or degree of such privileges.

2) The network-sponsoring companies may, in their sole discretion, grant exceptions to the staff privileges standard for the following specialist categories: Allergy, Dermatology, Pathology, Radiology or other physicians who are hospital-based and are employed by the participating hospital, provided, however, that even within these categories, no exceptions will be permitted for physicians who perform or intend to perform any type of invasive procedure not appropriate for an office setting.

3) Primary Care Physicians (considered to be General Practice, Family Practice, Internal Medicine and Pediatric physicians), whose medical practice is exclusively office-based, and who therefore do not wish to obtain hospital privileges (“Applicants”) may apply for exemption from the hospital privileges requirement, and may be exempted in the sole discretion of the network-sponsoring company, if all of the following requirements are met:
(i) Three letters of recommendation from other participating physicians in good standing who are not part of the Applicant’s practice group or clinic must be furnished; and

(ii) A written plan must be submitted outlining in detail how the Applicant’s patients will gain admission to a participating hospital in the event of need for inpatient treatment; and

(iii) The written plan must include specific identification of other participating providers who will act to provide coverage for the Applicant to admit the Applicant’s patients to a participating hospital; and

(iv) The identified covering physicians must sign and submit a written statement affirming that they have agreed to provide coverage for the Applicant, as described.