

## **BLUE CROSS BLUE SHIELD OF MICHIGAN**

### **MEDICARE ADVANTAGE PPO PROVIDER AGREEMENT HOSPITAL ATTACHMENT**

This Blue Cross Blue Shield of Michigan Medicare Advantage PPO Hospital Attachment ("Attachment") is entered into by Blue Cross Blue Shield of Michigan ("BCBSM") and the hospital ("Provider") listed on the Signature Document.

Whereas Provider desires to participate in BCBSM's Medicare Advantage PPO Program for the purpose of providing health care services to BCBSM Medicare Advantage PPO Members ("Members");

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, Provider and BCBSM agree to the following terms and conditions of participation in BCBSM's MA PPO Network:

#### **REIMBURSEMENT:**

Compensation paid by BCBSM in each category noted below shall be net of (i.e. less) any Copayment required from the Member according to the Medicare Benefit Contract as well as any payment made by or that is the primary responsibility of a third party under coordination of benefit provisions.

#### **1. Acute Inpatient and Outpatient Services**

- a. Provider shall be paid for Covered Services provided to a Member according to standard Medicare payment methodologies, including prospectively priced services (PPS), services paid on a cost settlement basis (e.g. cost to charge ratio), services paid on a per diem basis, as well as PPS passthrough services such as disproportionate share and capital, along with cost outliers, surgical implants and pharmaceuticals. Payment shall be made at the rate of one hundred percent (100%) of the current pricing set by CMS for Provider for original Medicare Beneficiaries as specified in the Provider Specific Files (PSF) and Pricers published by CMS' Office of the Actuary on a quarterly basis.
- b. See the Hospital Reimbursement section of the BCBSM Medicare Advantage PPO Manual for the Medicare Advantage PPO payment settlement process.
- c. Provider recognizes that compensation paid under this part shall not include payment for those costs (e.g. Direct Graduate Medical Expense, Bad Debt, Operating, Indirect Medical Expense, nursing and allied health education programs) wherein Provider's allocated expense for those

programs is otherwise paid via interim payment or the cost settlement process with Medicare's fiscal intermediary.

**2. Swing Beds**

- a. Swing beds in a hospital designated by CMS as a Critical Access Hospital (CAH) are paid according to the Medicare CAH swing bed reimbursement methodology (101% cost).

Swing beds located in non-CAHs are paid using the Medicare Skilled Nursing Facility Prospective Payment System (PPS), which is a per-diem payment.

- b. Provider agrees to use CMS required and appropriate HIPPS coding for Swing Bed services.

**3. Provision of Information**

- a. Provider agrees to no less than annually, submit to BCBSM, copies of its latest filed and latest approved (settled) Medicare cost reports.
- b. Provider further agrees to, no less than annually, and within thirty (30) days following issue of any revision thereof, submit to BCBSM its most recent interim rate letter provided by Provider's Medicare fiscal intermediary.
- c. BCBSM will treat as confidential any information and data submitted under this section to the extent that such information is not generally publicly available through any other means, including freedom of information requests submitted to the fiscal intermediary.

**4. Prenotification/Precertification**

- a. Hospital shall perform prenotification and/or precertification when required by a Blue Cross Blue Shield (BCBS) Plan or BCBSM and provide such other information as a BCBS Plan or BCBSM may reasonably request to help manage patient care.
- b. Effective July 1, 2014, Hospital shall not bill or collect from a Member for Covered Services where Hospital fails to perform prenotification or precertification as required in Section 4.a.

**5. Miscellaneous**

- a. BCBSM reserves the right to exclude Covered Services from reimbursement by the establishment of limited specialty networks for such services. BCBSM will provide notice of such excluded services as required under this Agreement.
- b. In order to be eligible for reimbursement for special services, Provider must be an approved CMS facility. Special services, as defined by CMS, include but are not limited to VAD Distribution Therapy, Carotid Stenting, Bariatric Surgery, PET Scans for Oncology, Lung Volume Reduction and/or a Transplant Center. The list of special services will be automatically updated as determined by CMS.
- c. Provider agrees to participate in BCBSM's incentive, gainsharing or quality improvement programs. Notice of incentive, gainsharing or quality improvement programs will be provided in advance of the implementation of any such programs.

This Attachment shall become part of the BCBSM Medicare Advantage PPO Provider Agreement. This Attachment is enforceable under the terms and conditions contained herein and, in the event of a conflict between the language of this Attachment and the Agreement, the language of the Attachment shall prevail with respect to the services and benefits to be rendered.

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