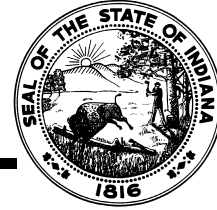


# Indiana Medicaid Transition Newsletter

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Distributed to All Indiana Medicaid Providers

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## What's New?

The Office of Medicaid Policy and Planning (OMPP) recently concluded contract procurement activities for Medicaid Program administrative services that will extend into the twenty-first century. The purpose of this bulletin is to provide an overview of the modified contractual arrangements for the administration of the Indiana Medicaid Program, effective January 1, 1999.

EDS will continue to handle all of the Medicaid business functions until the end of the year (1998) and then all functions except Medical Policy, Surveillance Utilization Review, and Prior Authorization effective January 1, 1999.

Information regarding the contractual arrangements, coordination activities, service enhancements and communications will be outlined and discussed within the contents of this bulletin in the following categories:

- Request for Proposal and Procurement Activities
- EDS - Proposed Service Level Enhancements
- Introduction of Health Care Excel (HCE)
- Upcoming Events and Communication



## Request for Proposal and Procurement Activities

In October of 1997, a Request for Proposal (RFP) was issued by the State to solicit responses from qualified vendors to assume operational responsibilities in support of the Medicaid program. The RFP introduced a multi-sourcing procurement approach with the ultimate goal that all business operations, including claims processing, were performed at the highest level of quality. The multi-sourcing RFP was defined in three service packages. The following provides a brief description of each contract within the RFP.

### ***Service Package #1: Claims Processing and Related Services***

Service Package #1 is referred to as the Core Contractor. EDS, successful bidder on this service package, will continue to be responsible for performing claims processing, systems maintenance and modifications, provider enrollment, provider relations, maintenance of the provider manuals, long term care functions, and other claims processing support functions.

### ***Service Package #2: Medical Policy and Review Services***

Health Care Excel (HCE) has been selected as the vendor for Service Package #2. HCE will be responsible for performing the business functions associated with medical policy, review for prior authorization (PA), and surveillance and utilization review (SUR).

### ***Service Package #3: Third Party Liability and Drug Rebate Services***

EDS has been selected as the vendor for Service Package #3. EDS will continue to be responsible for performing the third party liability (TPL) and drug rebate business functions.

### ***December 31, 1998 and Beyond***

EDS will continue to perform in its current role as Medicaid's fiscal agent until December 31, 1998. All communications regarding all functions outlined in the aforementioned Service Packages should continue to be directed to EDS until the end of 1998. Effective January 1, 1999, EDS and HCE will assume responsibility for the business functions in the three (3) Service Packages described earlier in this bulletin.

## **EDS Service Enhancements for Service Package #1 and Service Package #3**

EDS is pleased to have been selected by the OMPP as the contractor for Service Package #1 and Service Package #3. EDS is committed to continuing to provide a high level of service to the State, providers, and recipients. To achieve our objective of process and service enhancements, EDS has developed a comprehensive plan to not only enhance the quality of service in both service packages, but to ensure a smooth transition of current services provided by EDS encompassed in Service Package #2.

The following table highlights some of the improvements to current operations that EDS will bring to the new contracts effective January 1, 1999.

<b>Service Improvements</b>	<b>EDS' Approach to Satisfying the Improvement</b>
<i>Increase Provider Consultant Staff</i>	This increase will provide better geographical coverage to Indiana Medicaid provider and recipient communities. Additional staff will allow for an increased focus on provider recruitment.
<i>Reorganize Provider Services Staff</i>	The reorganization will incorporate specialized consultants by Medicaid program area, such as Managed Care providers, HCBS Waiver/590 Program providers, and HealthWatch and Care Coordination providers. Provider services staff will also be expanded to include field consultants in each geographic region who specialize in either UB92 or HCFA 1500 billing, policies and procedures.
<i>Introduce Indiana Medicaid Web Page/Internet</i>	To further enhance our avenues of communication with all stakeholders in the Medicaid program, EDS is excited to add a new Internet service to IndianaAIM. EDS will provide a Web solution that provides easy and convenient access to textual information, such as general information about the Medicaid program, bulletins, Medicaid publications, program manuals, forms, and links to other Web sites of interest.
<i>Enhance Provider Assistance Phone System</i>	An enhanced phone system will be designed to deliver a menu of prompts to the provider and recipient communities upon inquiry. This new feature will ensure that all calls are routed to the customer assistance representative specialized in the selected type of inquiry.
<i>Add Claim Status Availability to Automated Voice Response (AVR) System</i>	EDS will enhance the current Automated Voice Response System (AVR) to include claim status verification capabilities. This enhancement will allow providers to use a touch-tone phone to verify claim status 24 hours a day, 7 days a week.
<i>Enhance Recruitment Activities</i>	The foundation of EDS' provider recruitment strategy will be direct marketing to various provider types in the Indiana medical, institutional, and dental provider communities. Through this process, the State and EDS will work to eliminate barriers to participation.

Service Improvements	EDS' Approach to Satisfying the Improvement
<i>Upgrade the IndianaAIM Servers</i>	EDS has already tested <i>IndianaAIM</i> on the upgraded servers to benchmark performance improvement. These tests validate the proposed performance improvements and identified transition issues.
<i>Remote Access Expansion</i>	This will provide fast, dial-up access for field representatives and long term care auditors when in the field.
<i>Local Area Network(LAN) and Infrastructure Upgrade</i>	We will replace Novel LAN with an NT server, add Microsoft Exchange, routers, computer reports to laser disk (CRLD), workstations, and provide software suite upgrades.
<i>New Vendor to Provide Retrospective Drug Utilization Review (DUR)</i>	The utilization of a new system will allow EDS and the State to do further analysis on trends and patterns of the DUR program.
<i>Partner with Other Contractors</i>	EDS will team with sub-contractors to provide enhanced Third Party Liability (TPL) identification and recovery service and support, as well as accounting, trending, and analysis expertise.

Further information regarding the above and additional service enhancements will be communicated to the provider community in a forthcoming series of *Indiana Medicaid Transition Newsletters*.

## Introduction of Health Care Excel

Health Care Excel (HCE) has been selected by the Office of Medicaid Policy and Planning to serve as the contractor for Service Package #2: medical policy, review of requests for prior authorization, and surveillance and utilization review. The operations responsibilities will commence January 1, 1999.

HCE is a not-for-profit corporation established in the 1970's by practicing physicians to serve as a health care quality improvement organization. It does not have shareholders and its Board of Directors is committed to the pursuit of quality health care at affordable prices. HCE has extensive experience in the Medicare and Medicaid programs, and serves as the Medicare Peer Review Organization (PRO) for Indiana and Kentucky. It also serves as an external quality review organization for the Indiana Medicaid risk-based program, and it conducts utilization review for the Ohio Medicaid program.

The staff of HCE includes epidemiologists, physician Medical Directors, nurses and other health care professionals, experienced Registered Records Administrators (RRA), Ph.D. biostatisticians and researchers, experts in health information data systems, and experienced managers for all business functions. Health Care Excel is a professional health care review organization.

HCE also is known throughout Indiana from its establishment of a statewide health care coalition--**Partners Promoting Quality**. It established in 1997 a statewide **Diabetes Partnership**. These partnerships serve as a forum for the pursuit of excellence among all the organizations and individuals who strive to serve the people of Indiana.

The following paragraphs explain the three business functions associated with Service Package #2. Health Care Excel is pleased to have been chosen by OMPP to serve the Indiana Medicaid program, and looks forward to working with the State, providers, recipients, and other customers as it commences operations in 1999.

**Medical Policy.** The broad objective of the **medical policy business function** is to develop Medicaid policy that is consistent with the State and program objectives, and that reflects current medical knowledge and practices. Among other related duties, HCE will develop for OMPP a

Medical Policy Manual that documents medical policies used in the day-to-day operations of the program. It will also assist the State to manage a Medical Policy Committee, which will actively assist in pursuit of the program's objectives.

**Review of Requests for Prior Authorization.** The **prior authorization business function** serves as a utilization management technique to ensure that Medicaid funding is expended only for those covered services that are documented as being medically necessary, appropriate, and cost-effective. It also acts to reduce over utilization or abuse of services that may be subject to such practices. Among other duties, HCE will develop and maintain medical criteria to be used in prior authorization determinations. Also, HCE will periodically compare the criteria with current medical practices in order to determine if modifications to the criteria are warranted. In addition, and to maintain full awareness of community standards of practice, HCE staff will participate in various provider associations and other meetings.

**Surveillance and Utilization Review.** The numerous objectives for the **surveillance and utilization review (SUR) business function** include the development of statistical profiles of health care delivery and utilization; the identification, investigation, and correction of misutilization by recipients or providers of Medicaid program resources; the exposure of deficiencies in the level or quality of care financed by the program; assessment of the appropriateness and cost-effectiveness of care provided to recipients within the managed care program; the determination of utilization trends and the development of utilization forecasts; the verification of provider file/enrollment status during audits; and the provision of information and feedback to the Medical Policy, Prior Authorization, and Provider Enrollment units.

In the performance of these duties, HCE will work closely with and respond to requests from the Medicaid Fraud Control Unit of the Indiana Attorney General's office. The SUR staff will also conduct prepayment review, desk reviews, recipient reviews, on-site audits of providers, and will handle the restricted card program for recipients.

## Upcoming Events and Communications

The OMPP, EDS, and HCE are committed to keeping providers updated on the progress of the transition. To accomplish this, EDS will be coordinating a series of transitional bulletins outlining service enhancements and a time-line of associated activities. These bulletins will be forwarded to all Indiana Medicaid Providers.

Additionally, EDS is in the process of establishing a series of training opportunities to take place in the fall of this year. These training sessions will be held statewide and will encompass education on the new Medicaid contractors and related functions. Providers will be made aware of the date, times and registration procedures in an upcoming *Indiana Medicaid Transition Newsletter*.



*If you have any questions regarding the contents of this bulletin, please contact EDS Provider Assistance at 1-800-577-1278 or locally at 317-655-3240.*