



Pricing Development and Maintenance Policy BETOS/CCS

This Pricing Development and Maintenance Policy applies to Blue Cross and Blue Shield of North Carolina's ("Blue Cross NC's") calculations of contractual allowances ("fees") for services billed on a CMS 1500 or successor claim form. Each uniquely identifiable service is assigned a Service Category. Service Categories have been created using a combination of Berenson-Eggers Type of Service (BETOS) and Clinical Classification Software (CCS) published by Agency for Healthcare Research and Quality (AHRQ). Categories and assigned codes will be published at <https://www.bluecrossnc.com/providers/network-participation/fee-schedules/>.

- Annual updates will be based upon the applicable CPT/HCPCS code pricing determined by the latest published Medicare file as of January 15 and will be effective for dates of service on and after April 1, the year of the update. Blue Cross NC will not adjust pricing once established for the year until the following calendar year. Quarterly drug updates as indicated below will be based on the applicable pricing source in effect for the preceding quarter.
- CPT/HCPCS code pricing will follow below described hierarchies if based on current year pricing. If code pricing is not based on current year rates, it will remain with the first of the below hierarchy criteria that establishes a price from applicable source.
- Annual updates to existing service categories will be based upon category sources established throughout the year by Blue Cross NC, and will be effective per contractual renewals, annual updates, or fee schedule updates.
- New codes established on current year Medicare are determined by the latest published Medicare file as of January 15 and will be effective for dates of service on and after April 1. New codes (excluding drug codes) will be priced at 60% of charge from January 1 to March 31. Blue Cross NC will not adjust pricing once established for the year until the following calendar year.

Pricing Hierarchy

1. Service fees will be reviewed and/or updated on an annual basis. Blue Cross NC will implement such pricing effective for dates of service on and after April 1st of each year for annual updates and effective for dates of service on and after January 1st for new codes.
2. Fees will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source going forward for items not based on current year rates:
 - a. % of Current North Carolina Medicare Part B Physician Fee Schedule* or if not available
 - b. % of OptumInsight as licensed by Blue Cross NC or

If none of the above sources contains a price for the applicable code, the Allowed Amount will be based upon:

- c. Individual Consideration, or if no price can be determined;
- d. 75% of your Reasonable Charge

The pricing hierarchy will be applied to all categories with the exceptions of the following categories:

In-Office Laboratory Services

BETOS/CCS Categories: 200, 205, 206, 233, 234, 235, T1A

1. In-Office Laboratory Service fees will be updated on an annual basis.
2. Except for services identified by Medicare as CLIA Excluded or CLIA Waived, In-Office Laboratory Service fees will be limited to those services for which you have provided Blue Cross NC with evidence of your CLIA certification. Any changes to your CLIA certification will be updated upon notification to Blue Cross NC but will not be retroactively effective.

*Latest published Medicare file as of January 15 to be effective for dates of service on and after April 1.

3. Fees for Laboratory Services will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source going forward for items not based on current year rates:
 - a. % of North Carolina Medicare Clinical Lab Fee Schedule* or if not available;
 - b. % of North Carolina Medicare Part B Physician Fee Schedule* or if not available;
 - c. % of OptumInsight as licensed by Blue Cross NC
If none of the above sources contain a price for the applicable code, the Allowed Amount will be based upon:
 - d. Individual Consideration or if no price can be determined;
 - e. 75% of your Reasonable Charge

Drug Services
BETOS/CCS Categories 228 and 240

1. Drug Service fees will be updated on a quarterly basis.
2. Fees will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source:
 - a. 100% of Blue Cross NC Specialty Pharmacy Drugs
 - b. 110% of CDC Private Sector Price¹
 - c. 100% of NC Medicare Part B Drug Fee Schedule, or if not available*;
 - d. 105% Wholesale Acquisition Cost, or if not available;
 - e. 95% of Average Wholesale Price

If none of the above sources contain a price for the applicable code, the Allowed Amount will be based upon:

 - f. Individual Consideration

¹ All vaccines contained on the CDC Price List will be cross-walked to a CPT code. If more than one CDC listed Brandname/Tradename vaccine maps to a single CPT code, Blue Cross NC will apply the mean (average) Private Sector Cost/Dose price as the fee for the applicable CPT code. If the CDC Vaccine Price List contains more than one Private Sector Cost/Dose price for a particular Brandname/Tradename vaccine, Blue Cross NC will apply the lowest Private Sector Cost/Dose price when determining the fee.

Blue Cross NC Specialty Pharmacy Drugs

1. Specialty Pharmacy Drug source discount will be updated on an annual basis.
2. Source pricing will be updated on a quarterly basis.
3. New and replacement codes will be updated on a quarterly basis.
4. Fees will be determined by each specialty pharmacy drug listed on the Specialty Pharmacy Drug list and based on a set percent of the following hierarchy;
 - a. **% of Average Sales Price (ASP);
If ASP does not contain a price for the applicable code, the Allowed Amount will be based upon:
 - b. **% of Average Wholesale Price (AWP);
 - c. Individual Consideration, or if no price can be determined;
5. For any new drug that is not yet listed on the Specialty Pharmacy Drug list and is considered a specialty medication as defined by Blue Cross NC, and is added mid-year, then the default allowed amount will be ASP+12% or AWP-14% as applicable per hierarchy above. All new drugs may be added mid-year and updated accordingly, pursuant to this policy.
6. Any AWP priced drug that receives an ASP source mid-year will be updated to the ASP default Base Rate amount implemented until it is listed on the Specialty Pharmacy Drug List and may be updated accordingly, pursuant to this policy.

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**The Specialty Pharmacy Drug list with Drug Class (category) is available on the Blue Cross NC.com website on the following link: http://www.bcbsnc.com/assets/providers/public/pdfs/specialty_pharmacy_drugs_list.pdf

Durable Medical Equipment, Prosthetics, Orthotics & All Other Medical Supplies (“DMEPOS”)

BETOS/CCS Category 243

1. DMEPOS Service fees will be updated on an annual basis.
2. Fees will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source going forward for items not based on current year rates:
 - a. 80% of CMS North Carolina DMEPOS Fee Schedule* (Not based upon CMS Competitive Bid Allowance)
 - b. 80% of OptumInsight, as licensed by Blue Cross NC
 - c. 80% of the following fee: the national 60th percentile of billed charges for the applicable code provided by FAIR Health Benchmarks HCPCS product, as reported through Optum’s EncoderPro or through successor product licensed by Blue Cross NC.

If none of the above sources contains a price for the applicable code, the Allowed Amount will be based upon:

- d. Individual Consideration or if no price can be determined;
- e. 75% of your Reasonable Charge. Blue Cross NC will not allow more than 75% of your charge for these services

Durable Medical Equipment, Visions Services (“DMEPOS”)

BETOS/ CCS Category 241

1. DMEPOS Service fees will be updated on an annual basis.
2. Fees will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source going forward for items not based on current year rates:
 - a. 100% of providers reasonable billed charges for lenses and frames including contact lenses
 - b. 100% of North Carolina Medicare DMEPOS Fee Schedule*, or if not available;
 - c. 100% of OptumInsight as licensed by BlueCross NC

If none of the above sources contains a price for the applicable code, the Allowed Amount will be based upon:

- d. 103% Invoice Cost

Durable Medical Equipment, Hearing Services (“DMEPOS”)

BETOS/CCS Category 242

1. DMEPOS Service fees will be updated on an annual basis.
2. Fees will be determined based upon the following hierarchy and criteria. The first of the following criteria that can be used to establish a price will be the applicable source going forward for items not based on current year rates:
 - a. 100% of North Carolina Medicare DMEPOS Fee Schedule*, or if not available;
 - b. 100% of OptumInsight as licensed by Blue Cross NC, or if not available;
 - c. 75% of National Average Billed (Optum)

If none of the above sources contain a price for the applicable code, the Allowed Amount will be based upon:

- d. 100% Invoice Cost

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Fee Determination for General or Unlisted Code and Codes designated Individual Consideration

- If a general code (e.g. 21499) or unlisted code is submitted because a code specific to the service or procedure is nonexistent, or a code is submitted where no pricing source is available, Blue Cross NC will assign a fee to the code. Pricing will be based upon fee paid to comparable providers for similar services under a similar health benefit plan and/or by applying a 12 month claims review to determine average allowed or 75% of your Reasonable Charge.
- If a general or unlisted code is filed despite the existence of a code specific to the service or procedure, Blue Cross NC will assign the fee for the more specific code to determine the fee under Blue Cross NC's applicable reimbursement policies.
- Blue Cross NC's assignment of a fee for a given general or unlisted code does not preclude Blue Cross NC from assigning a different fee for a subsequent service or procedure under the same code. Blue Cross NC's determination of a fee for a service billed for a given general or unlisted code may vary from a previously determined fee based on new or additional information that subsequently becomes available regarding the service in question or other similar services.
- Blue Cross NC's methodology is based on several factors including Blue Cross NC's Payment Guidelines and Reimbursement Policy as described in *The Provider Manual*, and Pricing and Adjudication Principles for Professional Providers as described in the medical policy section of the Blue Cross NC website. Under these guidelines, some procedures charged separately by you may be combined into one procedure for reimbursement purposes. Blue Cross NC may use clinical judgment to make these determinations, and may use medical records to determine the specific service(s) rendered.
- Some codes that are listed as specific codes in the CPT/HCPCS manuals relate to services that can have wide variation in the type and/or level of service provided. These codes will be treated by Blue Cross NC in the same manner as general codes.
- Blue Cross NC reserves the right to price Drug Services using the National Drug Code for drugs that are filed using general or unlisted codes, or codes that may be used for multiple drugs.
- DMEPOS Services that are filed using general or unlisted codes must include the applicable manufacturer's invoice, and will be priced at the lesser of your reasonable charge or 10% above the invoice price.

Fee Determination Based on a Percentage of Your Reasonable Charge

When application of the hierarchy and criteria for the determination of contractual allowances results in a fee for a given service based upon a percentage of your charge, you are obligated to ensure that: (1) all charges billed to Blue Cross NC are reasonable; (2) all charges are consistent with your fiduciary duty to your patient and Blue Cross NC; (3) no charges are excessive in any respect; and (4) all charges are no greater than the amount regularly charged to the general public, including those persons without health insurance.

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Additional Fee Determinations

- Blue Cross NC reimburses the lesser of your charge or the applicable fee in accordance with your contract and this Pricing Policy.
- Outpatient Prospective Payment System (OPPS) Pricing will apply to the technical component of certain diagnostic imaging services and the technical component portions of the global diagnostic imaging services in accordance with Section 5102 (b) of the Deficit Reduction Act of 2005.
- Nothing in this Pricing Policy will obligate Blue Cross NC to make payment on a claim for a service or supply that is not covered under the terms of the applicable benefit plan. Furthermore, the determination of a code-specific fee does not guarantee payment for the service.
- In the event that any External Pricing Source reference listed below changes (e.g. a new Medicare intermediary is selected), references in this Pricing Policy will be deemed to refer to the superseding source.
- Fees for services represented by CPT/HCPCS codes that are introduced after the effective date of this Pricing Policy will be determined based upon the hierarchy and criteria applicable to the Service Category of the new code.
- The fee for any code not previously determined based upon the North Carolina Medicare Part B Physician Fee Schedule will be recalculated as if it were a new code if the fee can then be determined based upon the North Carolina Medicare Part B Physician Fee Schedule unless code is not based on current year pricing.

*Latest published Medicare file as of January 15 to be effective for dates of service on and after April 1.

External Pricing Sources

All references in this Pricing Policy to External Pricing Sources refer to the following:

- NC Medicare Part B Physician Fee Schedule*
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files.html>
 - https://www.palmettogba.com/palmetto/fees_front.nsf/fee_main?OpenForm
- NC Medicare Part B Drug Fee Schedule*
 - <https://www.reimbursementcodes.com/>
- NC Medicare Part B Clinical Lab Fee Schedule*
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Clinical-Laboratory-Fee-Schedule-Files.html>
- NC Ambulance Fee Schedule – Rural Rate*
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AmbulanceFeeSchedule/afspuf.html>
- NC DMEPOS fee schedule*
 - <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html>
- Blue Cross NC Physician Specialty Pharmacy
 - <http://www.bcbsnc.com/providers/injectable-drugs/available.cfm>
 - Please contact your local Network Management office to obtain the fee for any Drug Service code, which was determined by the Blue Cross NC Specialty Pharmacy criteria.
- CDC Private Sector Price
 - <https://www.cdc.gov/vaccines/programs/vfc/awardees/vaccine-management/price-list/index.html>
- Average Sales Price
 - <http://www.reimbursementcodes.com> Please contact your local Network Management office to obtain the fee for any Drug Service code, which was determined by the Average Sales Price criteria.
- Wholesale Acquisition Cost
 - <http://www.reimbursementcodes.com>
 - Please contact your local Network Management office to obtain the fee for any Drug Service code, which was determined by the Wholesale Acquisition Cost or Average Wholesale Price criteria.
- Average Wholesale Price
 - <http://www.reimbursementcodes.com>
 - Please contact your local Network Management office to obtain the fee for any Drug Service code, which was determined by the Wholesale Acquisition Cost or Average Wholesale Price criteria.
- OptumInsight *The Essential RBRVS*
 - www.optum360coding.com
- FairHealth, Inc
 - <http://www.fairhealthus.org/products/data-products>

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