April 30, 2010

Dear Provider:

Neighborhood is making policy changes that will affect three areas: retroactive authorizations, claims edits and the timing of claims filing. We are making these changes to help streamline our operations and preserve limited State Medicaid resources.

Please accept this letter as notice of these changes to be effective July 1, 2010.

Retroactive Authorizations

As always, for those services that require authorization, the expectation is that the authorization be obtained prior to the date of service or admission. However, authorizations for unscheduled, emergent services that cannot be requested in advance or during normal business hours can be retroactively requested up to ***three business*** days after the date the service is rendered or the date of admission (i.e. by the end of the third business day following.)

Any service requested greater than ***three business*** days after the date the service is rendered will not be considered and claims for those services will be administratively denied for lack of authorization.

Please note that our radiology vendor, MedSolutions, also follows this three business day retroactive authorization policy.

The following circumstances ONLY will be considered as exceptions to this policy:

- Medicare/Medicaid retractions
- Coordination of Benefits
- Retroactive eligibility as determined by DHS

This list and lists for durable medical equipment, pharmacy & radiology services requiring authorizations can be found at http://www.nhpri.org under Providers -> Administrative Resources.

New Claims System and Claims Edits
Neighborhood is implementing a new claims payment system, with a targeted implementation of November 1, 2010. We will be sending our contracted providers periodic notices about this implementation and updated information about this change will be posted on our website at http://www.nhpri.org.

As part of the transition to the new system, we are reviewing our claim edits to insure that they meet industry standards. We are implementing a few new edits July 1 and they are attached for your information.

Timely Filing Reminder
Unless stated otherwise in your contract, contracted providers have 90 days from the date of service to submit a claim for payment to Neighborhood. Neighborhood is making some changes to claims submission timelines.

Please note the following:

- Contracted providers have 90 days from the date on a primary carrier's EOB (Explanation of Benefits) to submit secondary payer claims.
- Claim appeals must be received within 365 days from the date on the original remittance advice, or will be denied for timely filing.
- Members are to be held harmless and cannot be billed for services denied for timely filing.

Thank you for your continuing dedication to your patients, RIte Care and Neighborhood. We appreciate your patience and cooperation as we implement these changes to make Neighborhood a more efficient and streamlined organization. If you have any questions, please contact our Customer Service Department at 1-401-459-6020, or your Provider Services Specialist.

Sincerely,

Patricia Huschle
Director of Provider Services