



November 20, 2010

Dear Provider,

Improving our members' health are goals we both share. One way CareSource is committing to this is by making it easier for you to work with us. Therefore, we've focused on implementing key operational improvements in 2010. Here are a few examples:

Timely Filing Extended – Timely Filing for appeals has been extended from 90 to 365 days! Medical necessity appeals are extended from 90 to 180 days.

Proactive Coordination of Benefits Policy – CareSource has improved its COB policy which gives you more time to file. Also, CareSource automatically adjusts denied claims under certain circumstances.

Updates to our Secure Provider Portal – Recently, we added some key enhancements to our online provider portal located at www.caresource.com. These include member vision history, the ability to check appeal status and search for a claim by check number.

Clinical Tools Added – The CareSource Clinical Practice Registry for PCPs was added this year to help you improve patient outcomes through preventive care.

Medical Policies – We've added 30 Medical Policies on our website, www.caresource.com, that provide guidance on determining medical necessity and appropriateness of care for a wide range of approved benefits.

Many of these operational improvements are highlighted more in-depth in the latest edition of our *ProviderSource* newsletter enclosed. We know that good health care begins with you. Together we can make this happen. Thank you!

Sincerely,

A handwritten signature in black ink that reads "S. Keith Tarter, M.D., M.P.H.".

S. Keith Tarter, M.D., M.P.H.
Medical Director

P.O. Box 23037
Lansing, MI 48909-3037
caresource.com

800-390-7102



Network Notification

Date: October 19, 2010

Number: MI-P-2010-14a

To: Michigan Providers

From: CareSource

Subject: New NDC Code Requirements for All Outpatient Drugs

Effective: November 1, 2010

Effective November 1, 2010, CareSource Michigan providers must submit a National Drug Code (NDC) and Units in conjunction with the HCPCS & CPT code(s) when submitting outpatient facility or professional claims for reimbursement.

CareSource requires that the NDC code and associated units are submitted for consideration of payment. This requirement complies with the mandate of the Michigan Department of Community Health (MDCH) [MSA Bulletin, #MSA 10-26](#), which was issued on July 1, 2010.

As outlined in the bulletin, the PPACA (Patient Protection and Affordable Care Act) requires Medicaid to collect rebates for outpatient drugs from manufacturers who have rebate agreements administered by CMS. The NDC is essential in identifying the drug manufacturer to facilitate these rebates.

We appreciate your cooperation in complying with this state mandated requirement.

For questions, please contact your provider relations representative or call provider services at 1-800-390-7102.

Bulletin: MSA 10-26

Distribution: Medicaid Health Plans

Issued: July 1, 2010

Subject: National Drug Code (NDC) Reporting for Outpatient Drugs Dispensed to Individuals Enrolled in Medicaid Health Plans

Effective: March 23, 2010

Programs Affected: Medicaid

The purpose of this bulletin is to inform Medicaid Health Plan (MHP) providers of the reporting requirements for the NDC and its corresponding information for outpatient drugs on the American National Standards Institute (ANSI) Accredited Standards Committee (ASC) X12 professional and institutional claim formats, the National Council for Prescription Drug Programs (NCPDP) pharmacy claim format and the Centers for Medicare and Medicaid Services (CMS) 1500 (08/05) paper claim form. This requirement is mandated to ensure the Michigan Department of Community Health's (MDCH) compliance with the Patient Protection and Affordable Care Act (PPACA), P.L. 111-148. The PPACA requires Medicaid to collect rebates for certain covered outpatient drugs.

A covered outpatient drug is limited to products from drug manufacturers who have rebate agreements administered by CMS. For a current listing of manufacturers with a signed CMS rebate agreement (maintained by CMS), please refer to the CMS website at www.cms.gov >> Medicaid >> Medicaid Drug Rebate Program >> Drug Company Contact Information.

Covered outpatient drugs dispensed by 340B providers are not subject to Medicaid drug rebate requirements if the outpatient drug is: 1) dispensed by Health Maintenance Organizations (HMO) including Medicaid managed care organizations that contract under section 1903(m) of the Social Security Act, and 2) are subject to discounts under section 340B of the Public Health Service Act. Section 340B protects manufacturers from paying both a Medicaid rebate and a 340B discount on the same drug. Providers that bill 340B prices must contact the MDCH Drug Rebate Specialist so their claims can be excluded from the drug rebates. Refer to the Directory Appendix of the Medicaid Provider Manual for more information.

For details on electronic billing instructions, billing multiple NDCs, compound drugs and paper billing instructions, refer to the following chapters in the Medicaid Provider Manual: Billing & Reimbursement for Institutional Providers, Section 6.12 and Billing & Reimbursement for Professionals, Section 6.4. Examples for billing the NDC supplemental information and the NDC 5-4-2 format can be found on MDCH's website.

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments in writing to:

Carla Patrick-Fagan
Michigan Department of Community Health
Medical Services Administration
P.O. Box 30479
Lansing, Michigan 48909-7979
Or
E-mail: patrickfaganc@michigan.gov

If responding by e-mail, please include "NDC Reporting" in the subject line.

Manual Maintenance

Retain this bulletin until applicable information has been incorporated into the Michigan Medicaid Provider Manual. Providers should refer to the MDCH website at www.michigan.gov/medicaidproviders >> Billing and Reimbursement >> Provider Specific Information for additional code information.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

APPROVED



Stephen Fitton, Director
Medical Services Administration



November 20, 2010

Dear Provider:

At CareSource, we're always looking for new ways to enhance service to our providers, including streamlining how we request medical records.

To improve communication with providers, we are creating an internal directory that will include current contact information (fax numbers, addresses, etc.) for each practice location where medical records are stored.

Benefit to Your Practice?

This initiative will greatly minimize the number of telephone calls made to your office requesting contact information. It will also ensure we're contacting the correct practice location for medical records.

Action Requested

Please complete the attached form for each practice where medical records are stored and submit by one of the following methods:

- **Fax:** (937) 396-3840
- **Mail:** CareSource
Quality Improvement Department
Attention: HEDIS Database Specialists
P.O. Box 8738
Dayton, OH 45401-8738

As always, your assistance is greatly appreciated.

Sincerely,

CareSource



Medical Record Storage Location Form

Please complete and fax to CareSource at (937) 396-3840.

PROVIDER INFORMATION (NAME MUST MATCH MEDICAL LICENSE) – ENTER INFORMATION IF YOU BILL AT THE PRACTITIONER LEVEL

Last Name	Suffix	First Name	MI	Primary Specialty
Tax ID	Group Name (Must match name on W-9)		dba (Published Name/Name on Sign)	

HOSPITAL/CLINIC INFORMATION – ENTER INFORMATION IF YOU BILL AT THE PROVIDER GROUP OR FACILITY LEVEL

Facility Name (Must match name on W-9)	Primary Specialty	Tax ID
dba (Published Name/Name on Sign)		

PRACTICE/MEDICAL RECORD STORAGE LOCATION

1	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address	
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax	
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address	
	Special Instructions				

2	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address	
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax	
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address	
	Special Instructions				

3	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address	
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax	
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code	
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address	
	Special Instructions				

Completed by:	Date
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Medical Record Storage Location Supplemental Form

Please use this form for additional practice location(s). Each section should be filled out completely; please make additional copies if you have additional practice locations to report.

1	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address
	Special Instructions			

2	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address
	Special Instructions			

3	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address
	Special Instructions			

4	Practice Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Practice Telephone Number		Practice Fax Number	Practice E-mail Address
	Is this the Primary Practice Location <input type="checkbox"/> YES <input type="checkbox"/> NO	Are Medical Records stored at this location? <input type="checkbox"/> YES <input type="checkbox"/> NO	<i>If not, please enter the Medical Record Storage Location below for this Practice location.</i>	What is your preferred request method? <input type="checkbox"/> US Mail <input type="checkbox"/> E-mail <input type="checkbox"/> Fax
	Medical Records Location Address (Physical Address ONLY)		Suite, Bldg, Fl, PO Box, etc.	City, State, Zip Code
	Medical Record Dept. Telephone Number		Medical Record Dept. Fax Number	Medical Record Dept. E-mail Address
	Special Instructions			



Health care providers can often face significant challenges transitioning from a paper-based system to electronic health records (EHRs).

At M-CEITA we understand these challenges, and are here to help.

Who is M-CEITA? The Trusted Advisor in Health IT.

- An independent, non-profit organization, providing technical assistance, guidance and information on best practices to support and accelerate providers' efforts to become meaningful users of certified EHR technology
- Made up of a team of experienced local health information technology (HIT) professionals with intimate knowledge of Michigan's medical community
- Offers health care providers a combination of national insight and local expertise on the impact of EHRs in medical practice
- Part of a national network of 60 Regional Extension Centers with direct, rapid and reliable access to a pipeline of key information on health IT and meaningful EHR use

Contact M-CEITA:

1-888-MICH-EHR

mceita.info@altarum.org

*Visit us online
at*

www.mceita.org

M-CEITA is one of a select group of organizations throughout the U.S. designated as having the experience and capacity necessary to assist health care providers with the task of modernizing their practices with certified EHRs. We have been selected by the U.S. Department of Health and Human Services' (HHS) Office of the National Coordinator (ONC) for Health Information Technology to serve providers with a focus on primary care providers in Michigan.

For providers who do not currently have an EHR system, M-CEITA will help you choose and implement one in your office. For eligible providers who already have a system, we can help you meet the criteria required to receive for incentive payments from Medicare or Medicaid for the meaningful use of EHRs.

What Do We Offer? Provider support throughout the EHR Implementation Process.

M-CEITA is a support and resource center that assists in making the implementation or upgrade of EHRs easier for providers throughout the process. Ultimately, our aim is to help increase the quality of care for patients, overall productivity and improve the quality of work/life balance for you by helping you achieve meaningful use of EHR systems.

We offer participating practices a wide range of valuable services; some of our core service areas include:

- EHR implementation and project management
- HIT education and training
- Vendor selection & financial consultation
- Practice/workflow redesign
- Privacy and security
- Partnering with state and national health information exchange (HIE)
- Ongoing technical assistance

Why Participate? The Time is NOW!

Our priority is helping providers understand and take advantage of the full benefits of EHRs. We provide scalable solutions that will enable providers to:

- Improve patient safety and quality of care while reducing costs associated with medical errors, duplicate tests, and administering paper records and claims
- Easily navigate the EHR vendor marketplace by having supported access to recommended certified systems
- Use EHRs in a meaningful way so that patient information is available when and where it is needed, and care is coordinated across provider teams
- Achieve EHR meaningful use objectives from the very beginning, maximizing incentives and minimizing financial and administrative burdens associated with implementing new electronic systems
- Prepare and position themselves for future pay for performance



The Federal and State False Claims Acts

The Federal False Claims Act:

Using the False Claims Act (the Act); you can help reduce fraud against the federal government. The Act allows everyday people to bring “whistleblower” lawsuits on behalf of the government, known as “qui tam” suits, against businesses or other individuals that are defrauding the government through programs, agencies or contracts.

As amended in 2009, the False Claims Act addresses those who:

- Knowingly presents, or causes to be presented, a false or fraudulent claim for payment or approval
- Knowingly makes, uses or causes to be made or used, a false record or statement material to a false or fraudulent claim
- Conspires to commit a violation of any other section of the False Claims Act
- Has possession, custody or control of property or money used, or to be used, by the Government and knowingly delivers, or causes to be delivered, less than all of that money or property
- Is authorized to make or deliver a document certifying receipt of property used, or to be used by the Government and intending to defraud the Government, makes or delivers the receipt without completely knowing that the information on the receipt is true
- Knowingly buys or receives as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge property
- Knowingly makes, used or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals, avoids or decreases an obligation to pay or transmit money or property to the Government

Additional Information on the False Claims Act and our fraud, waste and abuse policies can be found on our website, www.caresource.com.

The Deficit Reduction Act of 2005

The Deficit Reduction Act of 2005 (DRA) contains many provisions reforming Medicare and Medicaid that are designed to reduce program spending. As an entity that offers Medicaid and Medicare coverage, CareSource is required to comply with certain provisions of the DRA. One such provision prompted this communication, as it requires us to provide you with information about the Federal False Claims Act, state False Claims Acts, and other state laws regarding Medicare and Medicaid Fraud. In addition, the DRA



requires you and your contractors and agents to adopt our policy on fraud, waste and abuse when handling CareSource business.

The Michigan False Claims Act

Michigan enacted its own False Claims Act in 2005. Under the Michigan Act, the following constitute felonious acts:

(1) Knowingly making or causing to be made a false statement or false representation of a material fact in an application for Medicaid benefits

(2) Knowingly making or causing to be made a false statement or false representation of a material fact for use in determining rights to a Medicaid benefit

(3) Having knowledge of the occurrence of an event affecting his or her initial or continued right to receive a Medicaid benefit or the initial or continued right of any other person on whose behalf he or she has applied for or is receiving a benefit, concealing or failing to disclose that event with intent to obtain a benefit to which the person or any other person is not entitled or in an amount greater than that to which the person or any other person is entitled

(4) Soliciting, offering or receiving a kickback or bribe in connection with the furnishing of goods or services for which payment is or may be made in whole or in part pursuant to the Medicaid program, making or receiving the payment, or receiving a rebate of a fee or charge for referring an individual to another person for the furnishing of the goods and services

(5) Knowingly and willfully making, or inducing or seeking to induce the making of, a false statement or false representation of a material fact with respect to the conditions or operation of an institution or facility in order that the institution or facility may qualify, upon initial certification or upon recertification, as a hospital, skilled nursing facility, intermediate care facility or home health agency

(6) Entering into an agreement, combination or conspiracy to defraud the state by obtaining or aiding another to obtain the payment or allowance of a false claim

(7) Making, presenting or causing to be made or presented to an employee or officer of the state a claim under the Medicaid program, knowing the claim to be false

M.C.L. §400.601, et seq. A person who violates the Michigan Act is guilty of a felony, punishable by imprisonment for not more than four (4) years, or by a fine of not more than \$50,000.00, or both.



Other Fraud, Waste and Abuse Laws

Under the **Federal Anti-Kickback Statute**, and subject to certain exceptions, it is a crime for anyone to knowingly and willfully solicit or receive, or pay anything of value, including a kickback, bribe or rebate in return for referring an individual to a person for any item or service for which payment may be made in whole or in part under a Federal health care program. 42 U.S.C. §1320a-7b.

Under the **Federal Stark Law**, and subject to certain exceptions, physicians are prohibited from referring federal health care program patients for certain designated health services to an entity with which the physician or an immediate family member has a financial relationship. The Stark Law imposes specific reporting requirements on entities that receive payment for services covered by Federal health care programs. 42 U.S.C. §1395(a) and §1903(s).

As part of the **Health Insurance Portability and Accountability Act (HIPAA)**, the U.S. Criminal Code was amended, and it is a crime to knowingly and willfully execute, or attempt to execute a scheme or artifice to defraud any Federal health care program or obtain by means of false or fraudulent pretenses, representations or promises, any money or property owned by or under the custody or control of any Federal health care program. 18 U.S.C. §1347.

Prohibited Affiliations

CareSource is prohibited by federal and/or state provider agreements from knowingly having relationships with persons who are debarred, suspended or otherwise excluded from participating in federal procurement and non-procurement activities. Relationships must be terminated with any trustee, officer, employee, provider or vendor who is identified to be debarred, suspended or otherwise excluded from participation in federal or state health care programs. If you or your office management staff is a prohibited affiliation, you must notify us **immediately**.

Protections for Reporters of Fraud, Waste or Abuse

Federal and state law and CareSource's policy prohibit any retaliation or retribution against persons who report suspected violations of these laws to law enforcement officials or who file "whistleblower" lawsuits on behalf of the government. Anyone who believes that he or she has been subject to any such retribution or retaliation should also report this to the Special Investigations Unit.

Fraud, Waste or Abuse Reporting Process

It is CareSource's policy to detect and prevent any activity that may constitute fraud, waste or abuse, including violations of the federal False Claims Act or any state Medicaid fraud laws. If you have knowledge or information that any such activity may be or has taken place, please contact our Special Investigations Unit using the contact information below. Information may be reported **anonymously**.



CareSource Special Investigations Unit Contact Information

Anonymous:

-**Fraud Hotline:** 1-800-390-7108 and follow the prompts for reporting Fraud

-**Written Report:** Use the Fraud, Waste and Abuse Reporting Form on

www.caresource.com

Send to: CareSource
Attn: Special Investigations Unit
P.O. Box 1940
Dayton, OH 45401-1940

Not Anonymous:

-**Fraud E-Mail:** fraud@caresource.com

-**Fraud Fax:** 1-800-418-0248

All reports are **confidential** to the extent permitted by law.

You may also report your information **anonymously** and **confidentially** to the Michigan Department of Community Health (MDCH), Medicaid Integrity Program Section.

Call: 1-866-428-0005.

A written report can also be submitted.

Mail to: MDCH
Medicaid Integrity Program Section
Capitol Commons Center Building, 6th Floor
400 S. Pine Street
P.O. Box 30479
Lansing, MI 48909-7979

All reports are **confidential** to the extent permitted by law.

Thank you for your help in the fight against healthcare fraud, waste and abuse.