



HUMBOLDT STATE UNIVERSITY

Human Resources and Risk Management

March 2005

To: PERS Choice/PERS Care Health Plan Participants

FROM: Cindy Darnall Stevens
Benefits Administrator

RE: BLUE CROSS PROVIDER ISSUES

This notice is intended to serve as a reminder to Health Plan participants that medical practitioners (physicians, radiologists, etc.) who provide services in a Blue Cross network hospital (Mad River, St. Joseph's, Redwood Memorial etc.) do not necessarily belong to the network. Even though Blue Cross will still reimburse these non-network providers at 80% of the *Blue Cross Allowed Amount*, their system cannot identify where services are performed. Claims received from non-network providers are automatically paid at 60% of the Allowed Amount. Here is what you need to do in order to ensure that Blue Cross pays 80%:

- When seeking elective inpatient or outpatient medical services from a network hospital, you should call the hospital in advance to see if non-network providers will perform the services. If they will be, you should contact Blue Cross at 877-737-7776 and request an "Out of Network Referral". This will ensure your claim will be processed at 80% of the Allowed Amount.
- If you do not, or cannot, contact Blue Cross in advance and non-network services are provided, you will receive an explanation of benefits from Blue Cross that will show a 60% reimbursement rate. In order to have the rate adjusted to 80%, you must contact Blue Cross. Appropriate changes will be made and you will be sent a new explanation of benefits. Obviously, if you do not contact Blue Cross, the rate will remain 60% and you will end up paying a larger portion of the bill.
- Always review the explanation of benefits very carefully and contact Blue Cross if you have any questions.

It is also important to remember that 60% or 80% reimbursement does not mean 60% or 80% of the total invoice for services. Non-network providers have the ability to charge more than the Blue Cross rate or the usual and customary rate, and the patient is responsible for 100% of any amount charged *in excess* of the Allowed Amount. Also, plan deductibles, covered services, and other coverage limitations must be taken into consideration in determining your out-of-pocket costs.

We will continue to keep the lines of communication open with Blue Cross, and pass important information on to you as it becomes available. Please feel free to contact me.

Thank you