



March 15, 2006

Senator Elizabeth H. Roberts  
Representative Steven M. Costantino  
Co-Chairs  
Joint Legislative Committee On Health Care Oversight  
The State House, Room 306  
Providence, RI 02903

Dear Senator Roberts and Representative Costantino:

I am pleased to submit to the Joint Healthcare Oversight Committee an annual report of the progress of "Professional Provider Health Plan Work Group" established under an amendment to RI 42-14.3, which was put into law last session, and facilitated by this Office.

The Group has been in place since September of 2005, and has been making steady progress on its statutory goals, under the coordination of Patricia Huschle, Provider Liaison, of this Office. It has proven to be a promising means of simplifying and standardizing some administrative interactions between professional providers and health plans. In the next year, the group looks forward to closer coordination with the health plans, providers, RI Medicaid and the Rhode Island Quality Institute.

Copies of relevant materials are attached. If you desire further information, please do not hesitate to contact this office.

Sincerely,

Christopher F. Koller  
Health Insurance Commissioner

Cc: Senator Hanna Gallo, Rep. Peter Lewiss, Marie Ganim, Ronald Lebel, Patricia Huschle, Laura Adams, Members of the Professional Provider Health Plan Work Group

Attachments

**The Professional Provider-Health Plan Work Group**  
**Subcommittee to the Health Insurance Advisory Council**  
**Progress Report**  
**March 1, 2006**

The Healthcare Reform Act of 2004 § 42-14.5-3 (d) required the creation of a subcommittee to the Health Care Advisory Council known as the Professional Provider-Health Plan Workgroup (“Workgroup”) to address specifically identified areas for administrative improvement.

This subcommittee has been charged with developing a plan to implement the following activities:

(i) By January 1, 2006, a method whereby health plans shall disclose to contracted providers the fee schedules used to provide payment to those providers for services rendered to covered patients;

(ii) By April 1, 2006, a standardized provider application and credentials verification process, for the purpose of verifying professional qualifications of participating health care providers;

(iii) By September 1, 2006, a uniform health plan claim form to be utilized by participating providers;

(iv) By December 1, 2006, contractual disclosure to participating providers of the mechanisms for resolving health plan/provider disputes; and

(v) By February 1, 2007, a uniform process for confirming in real time patient insurance enrollment status, benefits coverage, including co-pays and deductibles.

The Workgroup was established in November 2005 and is comprised of professional provider and hospital representatives, billing agents, physician group leaders and the three major Rhode Island Health Plans: United, Blue Cross and Neighborhood Health Plan. The members are: Christopher Dooley- W&I PHO; Dan Egan-HARI; Lorraine Roberts- Lighthouse MD; Paul Carey-RI Urological Specialties; Joel Kaufman M.D.- Lifespan/Physicians PSO; Jean Amaral- Care New England. Health Plan representatives are Stephan Katinas and Robert Cambio- BCBS; Jenny Hayhurst and Jason Martiesian- United; George Brier and Maureen Brousseau- Neighborhood Health Plan. It was agreed that membership of the group would change depending on the subject matter. Patricia Huschle, Provider Liaison for the Office of the Health Insurance Commissioner, chairs the group.

A copy of the Workgroup’s Charter is attached and the following progress is noted on the items assigned by statute.

### **(i) Fee Schedule Disclosure**

This Workgroup's first initiative was to streamline the way the three predominant local health plans disclose fee schedule information to contracted providers. All plans acknowledged that their contracted professional providers should have access to the reimbursement amount for the codes for the services they provide.

In an effort to eliminate administrative burden for all parties, to increase the timely access to this information and to improve efficiency in the system as a whole, the Workgroup agreed the goal is for all health plans to have an on line fee schedule look up capability.

Currently only United has on line fee schedule inquiry capability commercial products. Blue Cross and Neighborhood Health Plan have agreed to create for provider access an on line look up for all codes for the current standard fee schedules for all locally marketed products by December 2006.

The Workgroup established a standard process for providers to obtain this information in the short term that includes both telephonic and email/fax options for the providers' office to use.

This information is being communicated by the health plans to their contracted providers. In addition, a joint document created by the OHIC and health plans is currently posted on the Rhode Island Medical Society web site and is being distributed electronically throughout the provider community.

A complete copy of the Workgroup's report to the Commissioner on this project is attached, as is a copy of the provider communication.

### **(ii) Standardized Provider Application and Credentials Verification Process**

The Workgroup began addressing this project in January 2006. The Group membership changed slightly to include representative of hospital medical staff offices who were also interested in seeing the state move to a common provider application form.

At the initial meeting the group agreed that:

- the application process and the verification process were distinct and needed to be handled separately.
- collection of the providers' data for credentialing and re-credentialing purposes was the primary concern for the provider's offices.
- there is much duplication in the verification process (health plans, hospitals, medical groups all reaching out to the same entities to confirm that the application data is accurate), the verification portion of the application process is transparent to the physician's office.

- identifying a common credentialing verification organization (CVO) is something that will be addressed at a later point.

The Workgroup quickly agreed that the Council on Affordable Quality Healthcare (CAQH) has an electronic “data collection tool” that has an established a local and regional presence. CAQH is a not-for-profit alliance of health plans, networks and trade associations that was created to promote collaboration among health plans on initiatives that promote administrative simplification. It was agreed that we would adopt their form as standard rather than establishing a statewide application as Massachusetts and other states have done.

Locally, UnitedHealthcare already requires the use of the CAQH application. Blue Cross and Blue Shield and Neighborhood are evaluating adopting the CAQH application as well. The hospitals in the state are considering the usefulness of the CAQH application in streamlining their internal processes.

The plan is to turnover to a statewide form in October of 2006. The group is still finalizing the transition details, with an anticipated final report delivered to the commissioner by April 1, 2006.