DAKOTACARE recently instituted a change to the DAKOTACARE HMO and DAS Physician Fee Schedule which is effective for claims with dates of service 7/1/14 and after. This is the result of an analysis of DAKOTACARE allowable fees and claims done by the DAKOTACARE Fee Schedule Committee over the past several months, and approved by the DAKOTACARE Board of Directors at their most recent meeting.

The Fee Schedule Committee annually reviews the methodology and structure of the physician fee schedule. They also regularly do an analysis of DAKOTACARE HMO and DAS allowable fee levels based on claims and premium trends; and as a percentage relative to benchmarks such as SD Medicare levels and the South Dakota payer market. The most recent analysis resulted in some code allowables being increased, and some being lowered, with the 2014 fee schedule changes having a total effect of increasing net annual payments to DAKOTACARE physicians. The updated allowable fee information for specific CPT codes by physician specialty will be available on the secure DAKOTACARE Provider Portal website.

The Fee Schedule Committee continues to meet annually to review issues regarding the DAKOTACARE physician fee schedule and physician reimbursement. If you have questions about the fee schedule or physician reimbursement, please contact Provider Relations at 605-334-4000.

Thank you for your DAKOTACARE participation.
This past year the DAKOTACARE Board of Directors approved the payout of the contingency reserve amounts for 2011. DAKOTACARE experienced continued profitability in 2013. We currently serve over 125,000 members across the United States with insured group, insured individual, and self funded products. We are developing new products and procedures to respond to the changing needs of the marketplace and governmental regulation, and diversifying our service and geographic capabilities.

All or part of our contingency reserve balances have been paid out in twenty one of the last twenty-four years of service to South Dakota physicians and customers across the country. If you have any questions regarding these contingency reserve balances, please contact our Provider Relations Department at 605-334-4000.

The DAKOTACARE Board also approved a redemption of additional shares of Class C stock under the redemption plan approved by shareholders. This stock is currently held by many active participating or retired physicians and their families. This is an opportunity for the holders of Class C Stock, many of whom have held it since 1988, to be able to redeem their stock for cash. The redemption program will extend over several years, with the original redemption of Class C shares completed in 2012. Shares are redeemed at the established redemption price of $20,500 per share, plus a consumer price index adjustment.

 Shares redeemed are selected by a random process set forth in the approved redemption plan, and shareholders received payment in February 2014. Shareholders whose shares were not selected for redemption also received a letter informing them.

Although there is no guarantee when, or if, Class C shares will be redeemed, the DAKOTACARE Board is authorized to carry out future redemptions of the Class C stock based on the financial performance of the company as well as minimum regulatory capital and working capital requirements, and will continue to annually consider future redemptions.

Class C shareholders with questions about the plan or their shares should contact DAKOTACARE Provider Relations at (605) 334-4000.

DAKOTACARE has made some changes to the Provider Portal which includes a new landing page. You can now access the new pre-authorization “lookup only” tool, most accessed provider forms or login to the secure provider portal to submit preauthorizations, retrieve remits, view claims or check eligibility from the landing page.

**Medication Preauthorizations** are completed through the provider portal utilizing RxEOB. In order for a portal user to have access to RxEOB the security administrator must grant each user access.

If you have questions regarding the provider portal contact Provider Relations at 605-334-4000.
Multiple Sclerosis Letter to Providers

DAKOTACARE sent a letter to all participating neurologists in the DAKOTACARE network in January 2014. We sincerely appreciate many of you reaching out to us with your expertise on the topic of Multiple Sclerosis management. We have now completed our state-wide discussions and, as promised, have the following updates to share with you.

- In general, all participating neurologists we met with (including Aberdeen, Dakota Dunes, Rapid City, and Sioux Falls) are very much “on the same page” with how they manage patients with MS. All were in agreement that medication pricing has created a new challenge in coordinating care for their patients. No one disagrees with DAKOTACARE’s policy that all members with MS must visit their MD/DO neurologist at least annually.

- Because of specialty pharmacy market dynamics, we are moving forward with plans to offer a preferred beta-1b interferon product (Extavia) for “new starts”. Established patients on Betaseron will still be allowed to obtain this product. No plans are currently in place for step therapy in this class, however a similar preferred product stipulation for alpha-interferons may be in the future.

- Although rarely used in this region, the use of Acthar Gel for use in MS relapses will require a peer-to-peer discussion with one of our Medical Directors prior to consideration for approval.

Thank you again for your assistance in this important project. It important that DAKOTACARE members with Multiple Sclerosis can receive appropriate medications in a cost effective manner. As always, feel free to contact me, E. Paul Amundson, MD directly at 605-274-3155 or pamundso@dakotacare.com with any questions or concerns.

Hepatitis C

New Treatment Options Are Rekindling Older Ethical Debates of Medical Rationing.

New treatment options for Hepatitis C have recently seemed to capture the collective medical media in the same way that wayward celebrities frequent lay press outlets. Unlike the celebrity fascinations of our general population, the attention to Hepatitis C is warranted as there are some significant concerns to be considered.

In two separate conversations, physicians discussing these new options have reminisced about the early days of hemodialysis. For those who are fortunate enough not to have experienced this, when dialysis was first developed, there were significant gaps between the service supply and the population demand. Medical professionals had to ethically determine appropriate candidates for this life-prolonging service as there were not enough dialysis service available for all. This scenario is frequently referred to as “medical rationing”.

When new products Olysio® and Sovaldi® were launched, their list prices overshadowed the monumental progress these agents offer in the treatment of Hepatitis C. At approximately $100,000 for a 12-week treatment course, these medications will strain our healthcare system. United Healthcare estimated they have spent $100 million in the 1st quarter of 2014 alone on these two products! In addition to these new entrants, the industry awaits new combinations that are currently under FDA review, but will tentatively launch in late 2014. Those new combinations offer “interferon free” therapy for all genotypes of hepatitis C, something that the current products offer for select genotypes. If the trend continues, this innovation will come at another significant cost increase, which only intensifies the discussions – can we collectively afford these treatments for all individuals with Hepatitis C infections?

According to the CDC, it is estimated that 1% of the United States population is infected with Hepatitis C. Even if we factor in a lower than average infection rate in South Dakota, the costs to treat this disease is staggering. These costs have raised serious concerns for our payers. In addition, consider state populations that are served by tax-funded entities, such as Medicaid, Medicare, and incarcerated individuals. The last population is frequently overlooked when it comes to tax-funded populations, but provided the Hepatitis C infection rates (est. 30%) of incarcerated individuals, these cannot be overlooked.
CODING & CLAIMS

Pharmacy Continued

The cost of treatment has, appropriately, placed a spotlight on the manufacturer(s). In most cases when a specialty medication is priced at this level, it is because of orphan drug status where the condition is so rare that huge costs are associated with the treatment to help defer R/D costs. While Olysio and Sovaldi have a wider population which could qualify for their products, their respective companies must realize that they are likely on borrowed time. When the next generation of medications are released, Olysio and Sovaldi will likely see the same limited utilization that other relatively new Hepatitis C medications Incivek and Victrelis currently see: minimal and decreasing.

The future of these products and their pricing are uncertain. Where the limits to hemodialysis capacity historically resulted in rationing of this service, the high costs of Hepatitis C treatment may force a similar approach when the costs of these treatment options exhaust the finite resources of payers.

ICD10

DAKOTACARE is ready for ICD10 even though it has been pushed back to October, 1, 2015. We anticipate all providers and their clearinghouses will be prepared to submit with the new codes on October 1, 2015. Beginning January 1, 2014 DAKOTACARE began testing claim submittals with providers and their clearinghouses. If you would like to do testing, or if you simply have questions, contact Provider Relations at 605-334-4000.

Spine Surgery Pre-Authorization Changes

DAKOTACARE has removed pre-authorization requirements for many of the spine surgery codes. Prior authorization is still required for fusions and surgeries requiring instrumentation. Please refer to the pre-authorization lookup tool on the provider portal landing page for more detailed information and what codes are effected by these changes.

DAKOTACARE Coding Reminders

CMS-1500 Errors That Result In Denied Claims:

- CPT code not matching place of service code
- CPT code or Diagnosis code not matching age or gender
- CPT code not matching Diagnosis code
- Missing place of service code in field 24B
- Missing diagnosis pointer in field 24E
- Invalid or missing modifiers

Bundling of Lab CPT Code 80050 and 80055

We require the components of CPT coded 80050 and 80055 to be bundled and billed as 80050 or 80055. If these components are billed out separately, each component will be denied and a new claim is required.

How NOT to submit a claim inquiry form for reconsideration:

- Don’t read and understand the denial
- Argue medical necessity of the services when that was not the reason for the denial
- Resubmitting a claim because of no response
- Just sending medical records
- Quote non-applicable regulations

Transitional Care Management Services

As part of the 2014 physician fee schedule changes, effective 7/1/14 DAKOTACARE will begin to cover CPT codes 99495 and 99496 for Transitional Care Management Services. The services must be provided in accordance with CPT guidelines and Medicare rules.
Greetings from DAKOTACARE. I hope this finds you enjoying the beginnings of what so far appears to be a very wet and cool season. Please take the time to enjoy our great outdoors; South Dakota has so much to offer this time of the year.

**Unaccountable**
The title of this commentary may be initially confusing to many of you, but it is the title of a book on healthcare cost/quality transparency, written by Marty Makary, MD (pancreatic cancer surgeon with Johns Hopkins Hospital, who led the effort of the World Health Organization [WHO] to measure hospital performance). I would highly recommend this title to anyone reading this Provider Newsletter. I heard Dr. Makary speak at a recent conference and was intrigued by his philosophy that better transparency in healthcare quality will ultimately and inevitably lead to increased accountability for everyone associated with providing some aspect of healthcare.

Dr. Makary also made an interesting reference to a recent (2103) Harvard Business Review article related to the “**Five False Promises of Healthcare Reform**”. The researchers advocate these “hot items” will not transform our healthcare system into one of higher efficiency and value, despite what has been touted by the media, politicians, special interests, etc., See if you agree:

- Fraud prevention
- Increasing use of national guidelines
- More convenient primary care services
- Malpractice reform
- Increasing Electronic Health Record (EHR) usage

DAKOTACARE, like most commercial and public payers, is busy readying for the inevitable transformation away from Fee-for-Service payment to one based primarily on quality outcomes, so-called Value-Based Reimbursement (VBR). This will be a long process as both payers and providers work together to better define what is true quality care, how will financial risk be shared between the two entities, and what are the “best practices” in our unique environment to maximize care quality for individuals. You will hear and read much more from us on this topic over the next few years, mostly from me. As always, I’m interested in your thoughts.

Feel free to contact me at pamundso@dakotacare.com.

**Take care and have a great and safe summer!**
BeWellSouthDakota.com

Be Well South Dakota is committed to shaping South Dakota’s future by using social media to motivate, educate and empower positive lifestyle changes while featuring the Be Well South Dakota team as they blog and share their personal wellness journeys and experiences.

Your story can change someone’s life! Please share your wellness journey in our Real People, Real Stories section. Submit your health and wellness questions to “Ask the Team.”
Look for your favorite health and wellness events on our events page.
Join our fun and exciting contests, wellness challenges, and poll questions.

Be Well South Dakota is a trusted site you can rely on for advice on healthy living. Healthcare professionals such as physicians, nurses, dietitians, and personal trainers will bring you the latest health and wellness information. Together we can build a healthier South Dakota one step at a time.

www.BeWellSouthDakota.com

South Dakota State Employee Health Plan

The SD Risk Pool will continue to provide health coverage for all current enrollees through 2014. Any members currently enrolled in the Condition Management programs administered by DAKOTACARE will continue their program.
Effective January 1, 2014, all individuals had the option to purchase health coverage, regardless of a medical condition. Because of this change in federal policy, there is no longer a need to enroll new individuals in the SD Risk Pool.
Although current enrollees will have coverage through 2014, the Risk Pool is encouraging all members to explore other options for health coverage.
State Employee Health Plan Primary Care Clinics—Pilot project

Effective January 1, 2014, the State contracted with Sanford to start a primary care clinic pilot project. This project was awarded through the RFP process. State Employee Health Plan members have access to 3 of Sanford’s clinics in Sioux Falls, and are able to access services for at $10 per visit charge (unless they have an HSA plan, then it is a $50 fee).

It is important to note that members can continue to visit the clinic of their choice across the state (as long as they are a DAKOTACARE provider) while maintaining their regular health plan benefits. The $10 per visit charge for services is only available at the Sanford clinics listed below in Sioux Falls.

Details can be found on the South Dakota State Employee Benefits Program website:  http://benefits.sd.gov/pcc.aspx

Primary Care Clinics are located at the following Sioux Falls locations:

- 26th & Sycamore Family Medicine  (includes Pediatricians on Staff)
  4405 E. 26th St., (605) 328-9000
- 41st & Sertoma Family Medicine
  7220 W. 41st St., (605) 328-9600
- 69th & Minnesota Family Medicine
  6110 S. Minnesota Ave., (605) 328-5800

NEW PRE-AUTH REQUIREMENTS

Effective immediately, Non-preventative Colonoscopies and all Upper GI procedures require preauthorization for the South Dakota State Employee Health Plan.

Pre-authorization may be requested from Health Management Partners (HMP) by visiting www.preauthonline.com.

You can find health plan information, including the pre-authorization listing at the following website:  http://benefits.sd.gov/activeemployee.aspx, then choose Forms & Documents.

The list of services to be pre-authorized is also on the DAKOTACARE provider portal.

RETOAUTHORIZATIONS – Please keep in mind that the State of South Dakota requires authorizations to be performed PRIOR to the service being incurred. Please make sure all efforts allow enough time for services to be reviewed so that authorizations are processed timely.

SOUTH DAKOTA STATE EMPLOYEE HEALTH PLAN RENEWAL

Members enrolled in the South Dakota State Employee Health Plan have a benefit renewal date of July 1. This is the date that out-of-pocket and deductible amounts reset for members. Benefit changes including different deductibles may be in effect for services incurred July 1. The South Dakota State Employee Benefits Program website is an excellent resource for plan information:  http://benefits.sd.gov/