

## **AAP Private Payer Advocacy Update**

August 2008

1. **AAP notifies national carriers on Prevnar price® increase**
2. **CIGNA clarifies payment policy on developmental screening**
3. **AAP and Chapter private payer advocacy collaboration in Massachusetts and Louisiana**
4. **Chapter pediatric councils formed in Alabama and Nebraska**
5. **New Jersey Chapter pediatric council successful in carrier meetings**
6. **AAP issues letter urging benefits coverage for breastfeeding services and equipment**
7. **August 2008 AAP News articles on private payer advocacy issues**

Principles on benefit plan coverage allow AAP to 'speak with one voice'

<http://aapnews.aappublications.org/cgi/content/full/29/8/4>

*Checkup for managed care contracts, part II • Review appeals process for medical necessity, prompt payment, eligibility*

<http://aapnews.aappublications.org/cgi/content/full/29/8/11>

### **1. AAP notifies national carriers on Prevnar price® increase**

The AAP notified national carriers of the Prevnar price increase and urged payers to update their payments in a more timely fashion. Wyeth announced that effective August 1, 2008, the price for Prevnar will be \$83.13. Physicians have an opportunity until August 22, 2008 to order up to a two month supply of the vaccine at the old price. The **AAP letter is attached** (<http://www.aapca3.org/law/ppa/Prevnar08.pdf>) and is available on the AAP Member Center, private payer advocacy page for chapters and members to use with local and regional carriers.

Members are encouraged to review their payer contracts regarding changes in vaccine prices. Standard payer contract provisions may specify that fee payment updates will be made in the following quarter after a price increase. Pediatricians are advised to negotiate for more timely updates in their contracts. The AAP Vaccine Addendum to payer contracts may be used as a guide to address payments for new vaccines and price increases. It may be accessed on the AAP Member Center, private payer advocacy page (link to Immunizations) or at

<http://www.aap.org/securemoc/reimburse/VaccineAddendumtoPayerContracts.pdf>

(requires member log-in).

## **2. CIGNA clarifies payment policy on developmental screening**

Following discussions with the AAP, CIGNA HealthCare (CIGNA) issued clarifications for coding and payment for claims for limited developmental testing. The carrier verified that it will pay for both the preventive medicine evaluation and management (E/M) service in addition to the limited developmental testing (reported as CPT code 96110).

Claims submitted with the preventive medicine E/M code and CPT code 96110 appended with modifier 59 (*distinct procedural service*) will be automatically processed in CIGNA claims system. Also, effective May 1, 2008 as an alternative acceptable modifier billing mechanism, CIGNA will also pay CPT code 96110 as a separate and distinct procedure, when submitted with a preventive medicine E/M service code appended with modifier 25. However, claims submitted with modifier 25 appended to the preventive medicine E/M service code requires manual processing by CIGNA, which may extend the claims processing timeframe. Attached is the **clarification issued by CIGNA** (<http://www.aapca3.org/law/ppa/CIGNAguidelines.pdf>).

Pediatricians experiencing denials from CIGNA for claims reporting CPT code 96110 should contact the AAP Coding Hotline at [aapcodinghotline@aap.org](mailto:aapcodinghotline@aap.org).

## **3. AAP and Chapter private payer advocacy collaboration in Massachusetts and Louisiana**

### **MassHealth rescinds tiered payment for neonatal critical care**

In response to a letter from the AAP objecting to its policy of tiering payments for neonatal critical care, MassHealth will no longer tier its payments and will provide a standard payment for CPT code 99296 (*inpatient neonatal critical care*)

### **AAP objects to Louisiana Office of Group Benefits denials of immunization administration**

Working with the Louisiana Chapter, the AAP sent a letter to the Louisiana Office of Group Benefits (OGB) objecting to the carrier's policy of not paying for immunization administration and vaccine payments that do not cover the total direct and indirect costs of vaccines.

Copies of the letters are posted on the AAP Member Center, private payer advocacy page, link to AAP Letters to Carriers and Carrier Response.

## **4. Chapter pediatric councils formed in Alabama and Nebraska**

The Alabama and Nebraska AAP Chapters have recently formed pediatric councils increasing the number of chapters with pediatric councils to over 40. The AAP has several resources to assist chapters in developing and maintaining pediatric councils on the AAP Member Center, private payer advocacy page link on Pediatric Councils. As illustrated below by the experiences of the New Jersey Chapter, pediatric councils can potentially facilitate better working relationships between pediatricians and health insurance.

## **5. New Jersey Chapter pediatric council successful in carrier meetings**

**Horizon BCBS changes modifier 59 policy:** After multiple meetings with the New Jersey Chapter practice management committee, Horizon Blue Cross Blue Shield of New Jersey, the state's largest insurer, has agreed to pay on claims using modifier 59. Originally slated to be valid January 1, 2009, Horizon has agreed to pay claims using modifier 59 as of October 1, 2008.

**AmeriHealth to enhance payments for vaccines and immunization administration:** After presentations on the issues and costs related to vaccines and immunization administration by members of the NJ Chapter pediatric council, AmeriHealth announced it will alter its payment methodology for vaccines resulting in increased rates for vaccines and immunization administration.

Resources for chapters on vaccine financing can be accessed on the AAP Member Center, private payer advocacy page under the link for Immunizations

## **6. AAP issues letter urging benefits coverage for breastfeeding**

The AAP sent letters to national carriers, benefit consultants and large business groups on health advocating for benefits coverage and payment for breastfeeding related services and equipment in support of the recommendation that infants be exclusively breastfed through the first six months. The letter makes a case on the cost effectiveness of breastfeeding on potential health care claims. Although more than 70% of women initiate breastfeeding in the United States, many do not continue through the 6-month goal often because they have decided to return to work and resources are lacking. Employer support as well as benefits coverage are seen as ways to enhance breastfeeding through the 6 month goal. The **letter is attached below** (<http://www.aapca3.org/law/ppa/breastfeeding08.pdf>).

## **7. AAP News articles on private payer advocacy issues in AAP News**

The following links are articles in the August 2008 AAP News related to private payer advocacy:

**Principles on benefit plan coverage allow AAP to 'speak with one voice'**

<http://aapnews.aapublications.org/cgi/content/full/29/8/4>

**Checkup for managed care contracts, part II • Review appeals process for medical necessity, prompt payment, eligibility**

<http://aapnews.aapublications.org/cgi/content/full/29/8/11>

***A FREE PREVIEW*** is now available of the PediaLink module on Contract Negotiations with Payers. The preview may be accessed on the AAP Member Center, private payer advocacy page under What's New (or link to [http://pedialink.org/cmefinder/videos/Contract\\_Negotiations\\_Preview/index.htm](http://pedialink.org/cmefinder/videos/Contract_Negotiations_Preview/index.htm) (requires member login)).

*For additional information on AAP private payer advocacy, contact Lou Terranova, Senior Health Policy Analyst at [lterranova@aap.org](mailto:lterranova@aap.org) or 800/433-9016 ext 7633*

This document was created with Win2PDF available at <http://www.win2pdf.com>.  
The unregistered version of Win2PDF is for evaluation or non-commercial use only.  
This page will not be added after purchasing Win2PDF.