

# PPO Hospital Network Reference Guide

Developed by the Provider Affairs Operations/Education/Communications Department



Product Description	Network	Precertification & Utilization Management Requirements	Referrals	Billing and Reimbursement
<p>The PPO Hospital Network product is a benefit program that provides BCBS members with economic incentives for using designated facilities.</p> <p>When BCBSIL covered members use a PPO facility their benefits are paid at the highest level.</p> <p>Failure to use a network facility results in a reduction of benefits.</p>	<p>Network Provider Types:</p> <ul style="list-style-type: none"> <li>▪ Hospitals</li> <li>▪ Coordinated Home Care (CHC)</li> <li>▪ Hospice</li> <li>▪ Skilled Nursing Facility (SNF)</li> <li>▪ Surgi-centers</li> <li>▪ Renal Facilities</li> </ul> <p>Network Selection Criteria:</p> <ul style="list-style-type: none"> <li>▪ Agreement to prospective and stabilized rates and utilization controls</li> <li>▪ Geographically located for member access</li> <li>▪ Encompass tertiary care, specialty facilities, teaching hospitals and ancillary services</li> </ul>	<p>Precertification and Utilization Management are required through our Medical Services Advisory Department for inpatient hospital services and some outpatient services</p>	<p>Written referrals are not required but when a referral for a member is necessary the PPO Facility provider must make every effort to refer to in-network PPO providers. Referrals to out-of-network providers could result in reduced benefits for the members.</p>	<p>*The UB-92 or UB-04 formats must be used for all facility charges. The CMS-1500 (12/90) or CMS-1500 (08/05) formats must be used for all professional component charges.</p> <p>Claims are adjudicated and the total covered charges are paid up front. Providers are paid by check or Electronic Funds Transfer (EFT) and receive a respective Provider Claim Summary (PCS) or Electronic Remittance Advice (ERA) and Electronic Payment Summary (EPS).</p> <p>Payment is made directly to PPO facilities. Payment is based on a negotiated rate between the provider and BCBSIL. Inpatient claims are based on a per diem negotiated rate and outpatient claims are based on a percentage of charges. The difference between the contracted payment and the total covered Blue Cross charge is the contractual allowance due to Blue Cross. All contracted Blue Cross providers receive an Experience Report listing all claims accompanied by a cover letter that summarizes the figures for the year-to-date. The cover letter includes the repayment terms. The amount due must be paid within 30 days unless the provider participates in the Uniform Payment Program (UPP).</p> <p>The UPP system of payment is a method of reimbursement designed to equalize payments to Blue Cross facilities. Blue Cross PPO facilities must demonstrate that they have an effective utilization program and will participate in cost containment activities. All PPO hospitals are on the UPP system. BCBS then provides an accelerated predictable, weekly check that approximates an average week's worth of Blue Cross business. The advance is monitored on a weekly basis and adjusted as necessary. Over a period of time the advance should approximate claims processed, given the absence of disruption to normal performance goals for claim processing activities.</p> <p>The purpose of the UPP is to provide a cash flow incentive to providers in consideration for having utilization review programs in place that favorably impact admissions and length of stays of Blue Cross subscribers and also to facilitate the collection of contractual allowances.</p> <p>Refer to the BCBSIL Provider Manual, Billing and Reimbursement Section, for more details on UPP.</p>

\*Claims must be filed with BCBSIL on or before December 31 of the calendar year following the year in which the services were rendered. Services furnished in the last quarter of the year (October, November, December) are considered to be furnished in the following year. For example, a claim with a service date between 10/01/05 and 9/30/06 must be filed before 12/31/07. Claims not filed with the above time frames will not be eligible for payment. Some employee groups have different requirements for filing claims. For example a group could require that claims for their employees be filed within six months following the service date.

Log on to the BCBSIL Provider Web site at [www.bcbsil.com](http://www.bcbsil.com) for more product information.

**PPO Hospital Network Identification Card**

PPO Hospital Network members are identified by the letter **P** in the third position of the alpha prefix (**XOP**).


 **BlueCross BlueShield of Illinois** 

DOE, JOHN

IDENTIFICATION NUMBER **XOP111223333**

GROUP NUMBER **P12345**      BS Plan Code 621      BC Plan Code 121

Family      DENTF 1/1/07

      SECT. 0004

**To the Insured:** Your contract requires that you contact the Medical Services Advisor (MSA) prior to hospitalization, or within two business days of an admission for emergency care or maternity care.  
**MSA: 1-800-555-1234**

**Mental Health/Substance Abuse:** Prior to any inpatient admission for mental health or substance abuse, or within two business days of an emergency admission, you must call the Mental Health Client Services Department at **1-800-851-7498**. This number is available 24 hours per day, 7 days per week.

**FAILURE TO CONTACT EITHER MSA OR MENTAL HEALTH CLIENT SERVICES MAY REDUCE YOUR AVAILABLE BENEFITS.**



**To Hospital/Physician:** Illinois Hospitals and Physicians should file claims in the usual manner to:

**Blue Cross and Blue Shield of Illinois**  
P.O. Box 805107  
Chicago, Illinois 60680-4112

All other Hospitals and Physicians should file claims to the local BlueCross BlueShield Plan.

**Customer Service: 1-800-537-6920**  
BlueCross BlueShield of Illinois, an independent licensee of the BlueCross and BlueShield Association, provides administrative claims payment service only and does not assume any financial risk or obligation with respect to claims.

**Note:** The PPO Hospital and Physician Network members are identified by the letter **F** in the third position of the alpha prefix (**XOF**). The letter **F** means that the coverage is portable.


 **BlueCross BlueShield of Illinois** 

DOE, JOHN

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