

Dear Provider:

AmeriChoice of New York is pleased to announce that its parent company, AmeriChoice Corporation, is now a business unit of UnitedHealth Group. This means that AmeriChoice now has access to the resources, systems and technology of the largest health and well-being company in the country.

You will continue to do business with AmeriChoice as you always have. Our management remains in place, our name will remain AmeriChoice, and we will not change our primary focus, which has always been public sector health care. We continue to be fully committed to you and the members you serve. Our patient care model and our attention to the full scope of member needs will not change.

The phone number you and your staff have used for pre-certification is also unchanged. You will continue to call 1-866-DOC-DENT (1-866-362-3368) for these transactions. The provider hotline number for claims or other inquiries also remains unchanged. You will continue to call 1-888-336-4845 on these matters.

Our mission statement, which is the statement to which all of our employees subscribe, is to improve the health and the quality of life of the people we serve by providing quality health care and management services. We believe that our affiliation with UnitedHealth Group will further assist us in achieving this goal.

We look forward to working with you in the months ahead in serving our members.

NEW YORK STATE DEPARTMENT OF HEALTH (NYSDOH) CREATES MANDATORY GENERIC PRESCRIPTION PROGRAM FOR ALL MEDICAID BENEFICIARIES

Last year, the New York State legislature passed a law creating a mandatory Medicaid generic prescription drug program. The law became effective November 17, 2002. The New York State Department of Health is implementing this program. **AmeriChoice, and the other Medicaid health plans, are not administering this program.** However, it is important for you to know that this program will significantly affect the way you prescribe brand name prescriptions for your Medicaid patients whether they are fee-for-service or in a managed care plan.

Any prescription that requires a brand name drug will be affected. You must follow specific guidelines when writing a prescription for a brand name drug. You must write "DAW" and medically necessary on the prescription and call the state pre-authorization phone number for an approval number that must be included on the prescription. If these steps are not followed, the

pharmacist will not be allowed to fill the prescription. If you write a prescription for a generic drug, you do not have to change the way you write a prescription.

There are nine brand name drugs that are **exempt** from the prior authorization requirement. They are:

- | | | |
|-------------------------|------------------------|---------------------------|
| • Clozari [®] | • Gengraf [®] | • Sandimmune [®] |
| • Coumadin [®] | • Lanoxin [®] | • Tegreto [®] |
| • Dilantin [®] | • Neoral [®] | • Zarontin [®] |

If you have any questions, you can contact the New York State Department of Health at: 1-800-343-9000 or go to their website at <http://www.health.state.ny.us>, click on "Information for Providers," then "Medicaid," then click on "Medicaid Mandatory Generic Drug Program."

GUIDING PRINCIPLES FOR GENERIC PRESCRIPTION DRUG PROGRAM

- Generic prescription program is "carved out" of Medicaid health plans
- Medicaid members must continue to use their Medicaid Fee-For-Service benefit card for all prescriptions and over the counter drugs
- NYSDOH will implement generic prescription program
- Contact NYSDOH at 1-800-343-9000 or <http://www.health.state.ny.us> for more details

HOW TO REQUEST A BRAND-NAME DRUG BE EXEMPTED FROM THE MANDATORY GENERIC DRUG PROGRAM

If you want to recommend that other brand-name drugs with an A-rated generic also be exempted from the prior authorization requirements, you may submit a clinical exemption request. This process should only be used when requesting that a specific drug be exempt from the Mandatory Generic Drug requirements for all Medicaid recipients.

As other drugs are exempted, notice will be included in future issues of the Medicaid Update.

Note: It is NOT necessary to complete the Product Specific Exemption Process if requesting a patient-specific prior authorization.

- For a drug to be exempt from prior authorization, a Medicaid Mandatory Generic Clinical Exemption Request must be sent to the Department of Health, reviewed by the Department's Pharmacy and Therapeutics Committee and approved by the Commissioner of Health or her designee. Providers may not request a patient-specific exemption using this process. Product exemptions approved will exempt a particular drug for all Medicaid recipients. This is not an immediate process.
- A brand-name drug must have an "A-rated" generic equivalent to be considered for exemption. Drugs that do not have an "A-rated" generic are not subject to the Mandatory Generic law.

- Use the [New York State Medicaid Mandatory Generic Clinical Exemption Request](#) to request an exemption. The worksheet and instructions are available on the Department of Health website.

You must print the document, complete it manually and return it by mail to the address shown on the document.

Current Drugs Exempt from the Prior Authorization Process

The Commissioner of Health has exempted the following drugs from the prior authorization process:

Clozaril®	Gengraf®	Sandimmune®
Coumadin®	Lanoxin®	Tegretol®
Dilantin®	Neoral®	Zarontin®

These exemptions do not preclude the prescribing of their generic equivalents and should not be considered an opinion on the bioequivalency of the generic versions. New York State Medicaid encourages the use of generic equivalents when appropriate.

For billing questions, contact 1-800-343-9000. For clinical or policy questions, contact the Pharmacy Policy and Operations Staff at 518-486-3209.

ACCESS AND AVAILABILITY REQUIREMENTS FOR NEW YORK PROVIDERS

Under the requirements of the New York State Medicaid Contract, AmeriChoice of New York is required to conduct anonymous surveys of our contracted primary care and obstetric physicians to ensure that Medicaid members have access to routine and urgent care within required guidelines. All New York State licensed managed care organizations (MCOs) that are approved to operate within the five boroughs of New York City must conduct these surveys. Summary results of the surveys are reported on a semi-annual basis to the New York Department of Health and Mental Hygiene's Office of Health Care Access and Improvement. A summary of the mandated access and availability standards is presented below.

AmeriChoice draws a random sample of providers to survey. Our Provider Relations representatives conduct the surveys. Should a provider not be in compliance with a standard they are surveyed on, staff from AmeriChoice will conduct follow-up activities, including re-surveying a provider's office to ensure compliance with

mandated access and availability standards. Providers who remain out of compliance with these standards will be referred to our Medical Director for appropriate follow-up actions including presentation to a physician peer review on the AmeriChoice Provider Affairs Subcommittee.

In addition to these surveys, in a similar but independent process, the State Department of Health conducts their own direct anonymous surveys of providers. These surveys also review whether MCO contracted providers are in compliance with mandated access and availability standards. The results of these surveys are reported to the MCO that contracts with the provider. The MCO is then responsible for conducting follow-up activities for providers who are out of compliance with access and availability standards.

We look forward to continue working with you as a valued provider with AmeriChoice. Should you have any questions regarding mandated access and availability standards, please contact Patti Longendyke, Director of Provider Relations, at 212-898-8421.

NEW YORK STATE ACCESS AND AVAILABILITY STANDARDS FOR PRIMARY CARE AND OBSTETRIC PROVIDERS SERVING MEDICAID MEMBERS

1. Standards for Primary Care Physicians (Adult Internists, Family Practitioners, General Practitioners and Pediatricians):

1A: 24 Hour Access to Primary Care Providers (PCPs):

When a member calls the office of their PCP concerning an active health care issue, the PCP or a designated covering physician, or licensed health care professional (physician assistant, nurse practitioner, registered nurse), must return the member's call within 30 minutes. The medical professional must assess and refer the member to the most appropriate level of care, depending on the nature of the medical issue (routine, urgent or emergent). This must be done on a 24 hour a day, seven-day a week basis. Surveys are conducted and reported for the following four "time periods":

- 5:00 PM to 11:00 PM,
- 11:00 PM to 5:00 AM,
- 5:00 AM to 9:00 AM, and
- 9:00 AM to 5:00 PM on days when a physician's office is closed.

1B: Appointment Availability to Primary Care Providers:

- Routine office visits for adults and pediatric patients must be available within four weeks of a request for an appointment. The member must be able to be seen by the doctor or their designated covering physician.

- Urgent office visits must be available for adult and pediatric patients within 24–48 hours of a request for an appointment. The member must be able to be seen by the doctor or their designated covering physician.

2. Routine Appointment Availability Standards for Obstetricians:

Members requesting routine obstetrical care appointments must be scheduled to be seen by the obstetrician or a designated covering obstetrician within the following three timeframes:

- Members who are, or may potentially be, within the first trimester of pregnancy must be able to have a routine prenatal care appointment no later than three weeks from a request for care,
- Members who are, or may potentially be, within the second trimester of pregnancy must be able to have a routine prenatal care appointment no later than two weeks from a request for care, and
- Members who are, or may potentially be, within the third trimester of pregnancy must be able to have a routine prenatal care appointment no later than one week from a request for care.

A FOCUS ON THE ASTHMA SPECIALISTS

The prevalence of asthma in AmeriChoice of New York Medicaid members is approximately 5% of the population and in 2002, it was one of the top five causes for hospitalizations. AmeriChoice's Personal Care Model Asthma Program is an aggressive program that identifies and treats all New York members who are asthmatic, who have demonstrated themselves to be at risk, and who appear not to have adequate medication management.

AmeriChoice is focused on improving asthma outcomes and the members' quality of life by encouraging asthmatics to choose primary

care physicians who are skilled in managing this disease. Referral to a specialist or center of excellence can prevent asthma-related hospitalizations and unnecessary emergency room visits. Listed below are primary care physicians who are skilled in treating asthma, specialists who treat asthma, and asthma centers of excellence within the AmeriChoice network. If you are interested in, or know someone who would like to be a specialist in our network, please contact our New York Provider Relations Department at 1-866-362-3368.

PCP's

PCP	ADDRESS	CITY	ZIP	PHONE	CONTACT
ANATOLY BELILOVSKY, MD	523 OCEANVIEW AVENUE	BROOKLYN	11235	(718) 332-6652	LINDA RAY
SHELDON LIPPMAN, MD	2220 OCEAN AVE	BROOKLYN	11229	(718) 339-1238	DR. LIPPMAN
MARK LEW, MD	2704 GLENWOOD ROAD	BROOKLYN	11210	(718) 859-6440	DR. LEW
PETER RUZOHORSKY, MD	100 ROSS STREET	BROOKLYN	11211	(718) 387-7628	DR. RUZOHORSKY
MONICA SWEENEY, MD	1413 FULTON STREET	BROOKLYN	11216	(718) 636-4500	DR. SWEENEY
PAULINE WALKS, MD	1413 FULTON STREET	BROOKLYN	11216	(718) 636-4500	DR. WALKS
MAX BULMASH, MD	3904 16TH AVENUE	BROOKLYN	11218	(718) 435-1449	DR. BULMASH

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SPECIALISTS

SPECIALIST	ADDRESS	CITY	ZIP	PHONE	CONTACT
SMITA KUMAR, MD	121 DEKALB AVENUE	BROOKLYN	11201	(718) 250-6911	DR. KUMAR
NORMAN KLEIN, MD	1648 EAST 14TH STREET	BROOKLYN	11229	(718) 627-0183	DR. KLEIN
LEV BARSKY, MD	2119 EAST 15TH STREET	BROOKLYN	11229	(718) 787-0700	DR. BARSKY
SIGMUND FRIEDMAN, MD	1421 48TH STREET	BROOKLYN	11219	(718) 435-6857	DR. FRIEDMAN
MICHAEL AKERMAN, MD (ADULT)	450 CLARKSON AVENUE	BROOKLYN	11203	(718) 270-4247	DR. AKERMAN
MADU RAO, MD (PEDIATRICS)	450 CLARKSON AVENUE	BROOKLYN	11203	(718) 270-4247	DR. RAO
WILFRED HERARD, MD	622 OCEAN AVENUE	BROOKLYN	11226	(718) 693-2800	DR. HERARD
ARLENE SCHNEIDER, MD	159 CLINTON STREET	BROOKLYN	11201	(718) 624-6495	DR. SCHNEIDER

ALLERGY CENTERS OF EXCELLENCE

FACILITY	ADDRESS	CITY	ZIP	PHONE	CONTACT
SUNY DOWNSTATE	450 CLARKSON AVENUE	BROOKLYN	11203	(718) 270-4677	DR. MADU RAO (PEDIATRIC PULMONOLOGIST)
SUNY DOWNSTATE	450 CLARKSON AVENUE	BROOKLYN	11203	(718) 270-4247	DR. MACHAEL AKERMAN (ADULT PULMONOLOGIST)
WYCKOFF HEIGHTS MEDICAL CENTER	374 STOCKHOLM STREET	BROOKLYN	11237	(718) 963-7672	DR. HARISH PATEL
THE BROOKLYN HOSPITAL MEDICAL CENTER	121 DEKALB AVENUE	BROOKLYN	11201	(718) 250-6911	DR. SMITA KUMAR
BROOKDALE HOSPITAL MEDICAL CENTER	1648 EAST 14TH STREET	BROOKLYN	11229	(718) 627-0183	DR. NORMAN KLEIN

BRIGHTER FUTURES FOR AMERICHOICE OF NEW YORK CHILDREN

AmeriChoice has joined forces with Pfizer, Inc to bring the Bright Futures Program to the offices of primary care physicians in New York as a national initiative to promote and improve the health and well-being of infants, children, and adolescents.

The Bright Futures Program is a national child health promotion and disease prevention initiative launched in 1990 with the support of Federal Healthcare Agencies. These include the Maternal and Child Health Bureau, Health Resources and Services Administration and Medical Bureau, and The Health Care Financing Administration.

The program, which targets AmeriChoice's Medicaid population, is dedicated to developing educational materials for health professionals and families to enhance their efforts in delivering well child, EPSDT and overall pediatric health care. The information focuses not only on the physical aspects of health but also on the social, cognitive, and emotional development and well-being of children and adolescents.

AmeriChoice's Bright Futures Program is currently in pilot phase, and has entered the offices of a dozen pediatricians throughout New York. Over 5,000 New York members and their families are being targeted to receive the Bright Futures educational materials through their pediatrician. The program contains literature for parents and physicians which documents national standards for pediatric care based on different age levels. A checklist approach and tear sheets with requirements by age allows physicians and families to meet scheduled well visits and immunization schedules. This will also help to increase AmeriChoice's quality rankings for measures like QARR and HEDIS.

More and more pediatricians in New York are actively taking part in the program, and more and more parents are actively taking part in improving the health of their children. For information on participating in the Bright Futures Program, contact AmeriChoice's Health Education Department at 212-682-7870.

TELEMEDICINE PERSONALIZES AMERICHoice'S NEW YORK PERSONAL CARE MODEL

AmeriChoice is proud to introduce Telemedicine into the Personal Care Model approach to care managing members. The AmeriChoice Telemedicine Program allows Case Managers to closely monitor chronically ill Medicaid/Medicare patients remotely. The technology has been proven to eliminate unnecessary hospitalizations and emergency room visits while improving clinical outcomes for a high-risk patient population.

As an integral component of the AmeriChoice Personal Care Model, the telemedicine system uses videophones that operate on standard telephone lines to give Case Managers visual access to patients for assessment and monitoring on an ongoing basis. Regularly scheduled teleconsultations will employ two-way video and peripheral devices to monitor relevant factors such as blood pressure, weight, and pulse oximeter levels, as well as compliance with medication, exercise, or diet regimens.

Face-to-face contact creates capabilities for the Case Manager not available with standard telephones such as the ability to view changes in a patient's appearance, to demonstrate a procedure, to observe medication compliance, or to detect problems with home medical

equipment. Patients will be able to have a one-on-one personal communication with the Case Manager in the privacy of their own home. This personal communication enhances the relationship between the Case Manager and the patient which is shown to improve the member's health and the quality of his or her life. Patients can also use the devices to communicate with the Case Manager in case of an emergency or unexpected event. The Case Manager can then more effectively assess the patient's condition before taking appropriate action.

The AmeriChoice Telemedicine Program is advancing into the New York member based population quickly and is available to home-bound or mobility-limited members with asthma, diabetes, cardiovascular disease, high-risk pregnancies, special needs members, or members with any other high risk chronic conditions. Primary care physicians, specialists, or AmeriChoice staff clinicians can make referrals to the program clinicians.

For more information on the program or to refer a patient, please contact the AmeriChoice Telemedicine Coordinator at 212-898-8483.

HIV/AIDS UPDATES

To stay up-to-date with the latest recommendations on the treatment for HIV/AIDS, log on to the website www.hivguidelines.org.

For a catalogue of free patient education materials email HIVpubs@health.state.ny.us or call 212-268-6144.

QUALITY IMPROVEMENT - AMERICHoice SHINES

Each year, health plans report on the quality of care provided to their members through the HEDIS (Health Employer Data Information Set) and QARR (Quality Assurance Reporting Requirements) reporting process. While QARR is unique to New York State, it employs similar parameters to those offered by HEDIS. Annual measurements enable health plans to establish goals for improvement and measure improvement against New York State specific and national benchmarks.

In 2001, AmeriChoice was one of the highest performing plans in the State of New York for well visits for children, timeliness of prenatal care, antidepressant OP, and dental care utilization. We are very proud of

these accomplishments and look forward to further advances in continuous quality improvement.

In 2002, member and provider outreach focused on increasing the rate of lead testing at 12 and 24 months and improving the rates of completed immunizations before the second birthday.

Because accurate measurement of preventive health services rests on complete data provided by claims, please make sure that you submit claims for all services, including capitated visits. If you have any questions regarding appropriate coding for preventive care services, call Naomi Wolinsky, Vice President for Preventive Health, 212-898-8462.

CPT CODING FOR ORAL POLIO AND TOBACCO SMOKING COUNSELING

- Please note that the CPT code for oral polio vaccine 90712 has been deleted to reflect the discontinued use of oral vaccine.
- To document counseling on tobacco and smoking use CPT code 99244.

CONGESTIVE HEART FAILURE

Across the country, Congestive Heart Failure (CHF) is the leading cause of hospital admissions for patients over the age of 65. It also represents a significant co-morbidity for many patients above the age of 50 with Atherosclerotic Heart Disease (ASHD), Chronic Obstructive Pulmonary Disease (COPD) and Diabetes.

Because of the importance of CHF in our membership, AmeriChoice will implement an intensive CHF Disease Management Program in an attempt to optimize patient care and improve the quality of life for our members with CHF.

AmeriChoice's New York Medical Directors, Steven Arnold, M.D. and Emanuel Sternberg, M.D., in collaboration with Case Managers, Personal Care Specialists and Health Educators, will be contacting participating primary care physicians and cardiologists in the coming weeks to discuss our member's clinical status and introduce our new CHF Disease Management Program.

Your patient's clinical history, hospital admissions, current functional status and treatment plan will all be reviewed during the initial discussion. AmeriChoice's Medical Directors will also review your patient's medication regimen to assure appropriate utilization of ACE Inhibitors, Angiotensin II Receptor Blockers and Beta-Blockers.

The advantages of enrolling your patient into our Personal Care Model (Case Management) Programs will be discussed at length. These programs include: Active Health Management, Health Education, Case Management, Telemedicine and Health Buddy.

All members with CHF are automatically enrolled in

AmeriChoice's Active Health Management Program where opportunities for improved care are identified after analysis of patient claims and pharmacy records. Letters or faxes detailing specific clinical recommendations are transmitted to the physician offices for your review and comment.

Your patients will receive bi-monthly educational material on CHF from AmeriChoice's Health Educators and Disease Managers. Topics will include such important issues as medication compliance, salt restriction, performance of daily weights and smoking cessation. Many of your CHF members will also receive free scales to remind them about the importance of daily weights as part of CHF monitoring.

Your members will also be given an opportunity to enroll in our new interactive Personal Care Model (Case Management) Programs. Telemedicine units and Health Buddies (monitoring systems with interactive case management programs installed) will be placed in many member's homes at no cost to the member. The telemedicine units and Health Buddy system will improve your patient's compliance with the treatment program and prevent frequent emergency room visits and hospital admissions.

AmeriChoice's Health Services Department strongly believes that partnering with our participating physicians and providing innovative Case Management programs to our members will ultimately improve the health and quality of life of your patients.

STATE REPORTING GUIDELINES ON TUBERCULOSIS (TB) FOR ALL AMERICHoice PROVIDERS

Over the past year, New York City has seen the rates for new Tuberculosis (TB) increasing rapidly. As a provider, you must be aware of the requirements for treatment, reporting and maintenance of any members who have TB. Under state law, you are required to report any cases of TB.

- All members who have suspected or confirmed TB disease should be identified promptly, and the case(s) or suspected case(s) should be reported to the local Health Department immediately (212-788-4162).
- All high-risk individuals (e.g. family members/friends who are immuno-compromised) in contact with the member should be identified and evaluated for preventive therapy immediately.
- Low to moderate risk individuals should be screened with a PPD, monitored for conversion and evaluated for treatment.

CONTAINMENT

- Persons suspected of having infectious TB disease should be placed immediately in an appropriate TB isolation room. A thorough contact investigation should be implemented promptly.
- Persons who have suspected or confirmed TB disease should promptly begin an adequate treatment regimen.
- Infection control techniques - All providers are responsible for counseling patients with Active TB or latent infection on proper infection control techniques.

REMEMBER

1. TB is spread through the air by infectious droplets.
2. One highly infectious person can infect others who share the same air space.
3. Immediate isolation of infectious patients can often interrupt transmission of M. Tuberculosis.
4. At a minimum, the infected member should have a negative AFB sputum smear before being allowed back in the indoor environment of the family. (Three negative smears would be preferable).
5. Direct Observation Therapy (DOT) has proven useful to ensure adequate compliance with treatment regimens.
6. Family Members should be instructed by the provider on household precautions, whenever a member is suspected of having latent or active tuberculosis. These precautions include:

- Respiratory precautions (including masks) should be encouraged in all contacts with contagious or potentially contagious individuals.
- Potentially contagious members of the family should be careful and cover their mouths before coughing (masks should be encouraged).
- Fresh air should be filtered into the home.
- HEPA filters should be used in the home.

DIABETIC EYE AND FOOT EXAMS

Every physician knows how important it is for their diabetic patients to receive retinal eye exams and foot exams. AmeriChoice urges you to refer all diabetics for these exams annually. Our Member Services Department will be happy to work with you to identify the most

conveniently located provider for these services. From 8:30 AM to 5:30 PM, Monday through Friday, call 1-800-455-2008. After hours, call 1-800-493-4647. If your patient requires transportation to a specialist appointment, please call 1-866-362-3368 to schedule pick-up.

A SIMPLE TEST TO HELP MANAGE DIABETIC PATIENTS

Eliminating barriers to HbA1c testing can significantly improve your management of diabetic patients and improve quality performance.

METRIKA offers HbA1c test kits (CPT4 83036) that can be used in the primary care setting, eliminating the need to draw venous blood or to send members to a drawing station. A fingerstick provides sufficient blood for accurate testing. Trials of the test have shown it to

be as accurate as lab testing using venous specimens.

The test kits may be stored at room temperature for 30 days. Refrigerated kits can be held for 90 days at 2-8°C.

For more information please call Naomi Wolinsky, Vice President for Preventive Health, at 212-898-8462. To order test kits call Timothy J Rivetti, Account Manager for METRIKA, at 917-434-5604.

SMOKING CESSATION PROGRAM TARGETING TEENAGERS NEEDS PRIMARY CARE PHYSICIAN PARTICIPATION

In 2001, AmeriChoice joined efforts with the New York City Department of Health to promote smoking cessation in pregnant women. In 2002, AmeriChoice worked with a select group of AmeriChoice obstetricians and certified nurse midwives and their staffs to develop a program that combines physician-patient communication, coordination of care and education to help pregnant women stop smoking. Based on our efforts, AmeriChoice is now looking to expand this successful cessation program and target adolescents and non-pregnant adults.

AmeriChoice is now asking for participation from primary care physicians who would be interested in joining this innovative program. To assist you with getting started, the primary care physician and his/her office staff will be trained on this novel program. Please be aware that there are no costs to you and your staff to participate in the training program and we will supply you with all materials needed to educate your patients throughout the year. If you are interested in participating in the smoking cessation program, please contact a Provider Relations internal representative at 212-898-7981.

SCREENING FOR DOMESTIC VIOLENCE

The American College of Obstetricians and Gynecologists recommends that physicians screen all patients for intimate partner violence. In addition to physical injuries, women who are subject to domestic violence often have common primary care complaints including chronic pain, sleep disturbance, headaches, depression and anxiety.

Screening can be accomplished by introducing three simple questions in a nonjudgmental way. Always interview the patient alone.

You can start the dialogue by saying, "Because violence is so common, I've begun to ask about it routinely." Then proceed to ask the following three questions:

"Are you in a relationship in which you have been physically hurt or threatened?" If no, "Have you ever been?"

"Do you feel safe at home?"

"I notice you have some bruises; did someone do this to you?"

If the patient denies abuse, but you strongly suspect it, document your opinion. Let her know that there are resources available and schedule a follow-up appointment to see her.

In New York City, these are the phone numbers that you can offer a patient in need of counseling or support.

1-800-621-HOPE (English)

1-800-621-4673 (Spanish)

The Domestic Violence Coordinator at AmeriChoice is Lynda McPartlan. She can be reached at 212-898-7944 if you need assistance with referrals or case management.

POST STABILIZATION AND COORDINATION OF CARE

As you are aware, many patients receive care in emergency rooms of hospitals that do not participate in the AmeriChoice network. When these patients are admitted, they are often lost to the outreach and coordination of care that has become the hallmark of AmeriChoice's quality programs.

We, of course, rely on you to be available to advise our members who need emergent care to go to the nearest emergency room. Most of the time, however, they do not go to the nearest emergency room but show up at hospitals in Manhattan instead.

Non-participating hospitals in our area have been advised that stable patients seen in their emergency rooms must be transferred to a participating hospital in our network. This is not a request but is consistent with Federal Law, Medicare Regulation Section 422.100(b)(1)(iv).

The law pertains to any member of a managed care plan who can be

stabilized in the emergency room at a non-participating facility. Once stabilized, the emergency room is required to contact the member's managed care plan. We then have a set amount of time to arrange to transfer the patient to a participating hospital.

Four of our network hospitals will act to receive those patients and will make arrangements to admit them. These include:

The Brooklyn Hospital Center
Wyckoff Heights Medical Center
University Hospital
Bronx-Lebanon Hospital Center

Your cooperation in helping our members to understand this situation is greatly appreciated.

ELECTRONIC MEDICAL RECORDS: ADVANCES IN PATIENT CARE

By yearend, 2003 the Federal Government will require all physicians to submit claims electronically yet, as of July 30, 2002, only 17% of physicians had computers in their offices.

Electronic medical record keeping was created as an adjunct to electronic billing packages as early as ten years ago. Early systems were limited by the fact that they were complicated, inflexible and cumbersome and were afterthoughts to widely sold billing packages. They required dedicated and expensive hardware which made the cost even more prohibitive.

There was no incentive for physicians to purchase and use such systems. Medical Records were not investigated by State and Federal governments as much as they are today. Quality Programs such as HEDIS and QARR did not exist.

In 1996, the Federal Government drafted the first set of HIPAA (Health Insurance Portability and Accountability Act) rules. The Act mandates standardization in electronic health care administration. HIPAA will change the way physicians, health plans, health care clearing houses, hospitals, pharmacists, dentists, nurses, physical therapists, ambulatory surgery centers and nursing homes use and disseminate health, medical, statistical, and billing data. In addition, HIPAA compliance requirements will affect billing services, insurance brokers, medical record companies, attorneys, accountants, consultants, and many others directly or indirectly involved in the healthcare industry.

Although viewed as a strict compliance program, providers can take advantage of the potential benefits of HIPAA including potential financial savings. HIPAA can reduce administrative costs for physician practices through the creation of national standards for electronic billing and reimbursement. HIPAA also creates a national framework for health privacy protection to enhance the protection of patient medical and health information. The new standards affect the way physicians interact with their patients.

Providers are required to analyze and to upgrade their systems (if necessary) to be able to send, receive, and process transactions in accordance with the new HIPAA standards. The standards are intended to minimize administrative expenses and reduce the effort associated with

enrollment eligibility, claim processing, account posting, claim follow-up, referral and prior authorization. A standardized electronic system can offer providers, insurers and health plans both administrative and financial benefits.

Physicians must comply with HIPAA's Transaction and Code Set Standards by October 16, 2002, or file for an extension under the Administrative Simplification Compliance Act. This will delay compliance until October 16, 2003. Providers are also required to comply with Privacy Standards by April 14, 2003 but no date has been set for compliance with the Security Standards pending a final ruling from the Department of Health and Human Services (DHHS).

HIPAA currently recommends, but does not yet require, the use of electronic medical records. While there is no authority within the Act to require the development of a standard, there has been wide support to institute legislative, economic and research policy to advance the standardization of medical records. The use of electronic medical records (EMR), therefore, is the next logical step in the electronic transformation of the medical office.

A recent CNN report ("Health Care Quality Looking Up" - Oct 30 2002) states that "In the wake of reports of medical errors across the country, Congress asked the (National Academy of Sciences) Institute to review the health quality efforts of Medicare, Medicaid, the State Children's Health Insurance Program (CHIP program), the Defense Department TRICARE programs, the Veterans Administration and the Indian Health Service.

The panel concluded that the agencies have begun redesigning their programs and are moving in the right direction to reduce medical errors and improve quality. But the efforts are not coordinated, the committee reported. It suggested that the agencies work together to develop common ways to measure performance and make comparative quality reports available to the public.

According to the committee, measuring performance will require agencies to set up computerized patient records, an area where it commented the health care industry has lagged behind.

In addition, private insurers should be encouraged to add their

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performance data to a national health care database as long as the privacy of individual patients is protected.

The committee concluded that Congress should consider tax credits, subsidized loans or grants to encourage development of a national health information system.

WALL STREET JOURNAL REPORTS ON EMR

The Wall Street Journal, September 5, 2002, reported the necessity for doctors to computerize their medical records. The article points to the fact that more than 86% of mistakes in family-care offices result from administrative or process errors. These errors include filing charts in the wrong places, ordering the wrong tests or, worst of all, ordering the wrong medication - all of which electronic medical records are designed to eliminate. In a study of only 42 physicians over a 20-week period, 330 errors were reported. Twenty-five of those errors led to unnecessary hospital admissions and one to the death of a patient due to failure in handling a message.

The "Quality and Safety in Health Care Study" indicates that most individual physicians have not yet invested in computer applications outside of billing. They still keep their medical records on paper. Part of the reason that most physicians have not yet embraced electronic medical records is that companies that sell and support them have focused on hospitals and large medical groups rather than on the individual physician.

The California Healthcare Foundation recently reported that paper-based records create a huge burden for a small practice. If doctors do not have computerized systems that reduce error, they risk denial of payment from managed care companies and possible accusations of fraud from Medicare (for failure to document). The Healthcare Report clearly indicates that electronic medical records can cut the amount of time a doctor and his/her staff spends on administrative tasks, leaving more time

for patients.

The Wall Street Journal article reports that 35% of US physicians work in solo or small physician practices - a market largely untapped by electronic medical records companies.

TECHNOLOGY BENEFITS PROVIDERS

The internet is rapidly transforming medical practices. Physicians in a Harris Study for the Health Technology Center agreed that computers have already had a positive impact on the practice of medicine and quality of care. Ninety six percent of the physicians queried agreed that technology would make the practice of medicine easier and improve the delivery of care no later than 2003.

Molly Joel Coye, MD, the CEO for the Health Technology Center, suggests that physicians do not need further convincing that technology will play an increasingly significant role in healthcare. The study indicated that 19% of respondents were already testing or had implemented electronic medical records into their practices.

The Institute of Medicine in 1999 recommended that physicians adopt automated systems for prescribing medication. In one study that examined 20 medical groups, most of them with eight or more physicians, an estimated average annual potential benefit of \$7,200 per provider was found exclusive of implementation and annual operating costs. The potential business operations savings were identified in the following areas: business office - 51%, managed care - 12%, and bad debt, postage, etc. - 37%. These types of savings can be obtained by increasing the utilization of electronic claims submission to most health plans, implementing electronic remittance advice, eligibility inquiry at the time of registration/appointment scheduling, electronic referral authorization processing and claims status inquiry.

AMERICHoice TO RUN PILOT PROGRAM

Beginning January 1, 2003, AmeriChoice providers will be able to purchase an electronic medical records program at a substantial discount from the retail market.

For more information, contact Steve Arnold, MD, Medical Director at 212-898-8497.



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