**Policy Name:** HMO Financial Risk Claims  
**Policy Number:** Administrative – 67  
**Effective Date:** 06/01/02  
**Revision Date:** 12/01/18

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### Approval Signature

[Signature]

11/19/2018

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**Divisional Senior Vice President IL Health Care Delivery**

**Line of Business**

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### Approving Body

- ☒ Policy and Procedure Committee  
  Date: 11/16/17

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**Details**

**Policy:**

Blue Cross and Blue Shield of Illinois (BCBSIL) will electronically provide the Medical Group/Individual Practice Association or Physician Hospital Organization (hereinafter the “IPAs”), with a daily report that will require the IPA to notify BCBSIL of the group approval status of all claims that are the financial risk of BCBSIL.

**Purpose/Objectives:**

- To enhance timeliness and efficiency in processing claims that are the financial risk of BCBSIL.
- To improve provider and member satisfaction by promptly paying claims.
- To improve member satisfaction by reducing billing and collection notices.
- To allow the IPA the ability to assume financial risk.

**Procedure:**

1. Provider will submit a claim either electronically or on paper to BCBSIL for processing.

   - If the facility and IPA have an Expedited Approval Agreement (GAP) Agreement in place, the HMO verifies that the claim is submitted and coded correctly. The GAP code “GAP” must be entered in the Treatment Authorization field (63). A value of 1 (HMO Referral) must be entered in the Source of Admission field (15).
The BCBSIL claims processing system will also read the online provider file to verify the GAP agreement. The claim will be processed accordingly if all criteria are met.

- If the **facility** and IPA do not have an Expedited Approval Agreement (GAP) agreement in place, the claim will be sent to the IPA via the internet 095 report to obtain approval status.

**NOTE:** If the service is BCBSIL’s risk to pay, BCBSIL will not automatically provide a copy of the claim to the IPAs. The IPAs can contact BCBSIL to request a copy of the claim if they need the claim to determine approval status.

2. If approval status is required, claims will be posted on the Internet 095 Report.

3. The IPA is required to respond within 10 calendar days to the 095 Report by checking the appropriate box for each claim listed. All responses must be received prior to 8:00 p.m. on the 10\textsuperscript{th} calendar day.

4. Guidelines for determining group approval status:
   a. [ ] GA – Group Approved
      Claim is group approved, services were rendered by or referred by a Primary Care Physician (PCP) or Participating Specialist Provider (PSP) affiliated with the IPA.
   
   b. [ ] NGA - Not Group Approved
      Claim is not group approved, member was not treated by or referred by a PCP or PSP affiliated with the IPA.
   
   c. [ ] MGR - Med Group Risk
      Claim is group approved and is the financial risk of BCBSIL but the IPA has made the determination to assume the responsibility to pay the provider, then the following rules apply:
      1. The IPA must pay according to the rules of Prompt Pay legislation.
      2. No units will be charged on the Utilization Management (UM) Fund.
      3. The claim cannot be submitted for reinsurance.
   
   d. If an IPA risk claim appears on the 095 Report, check GA or NGA and in the comment field indicating the claim is IPA risk.

5. BCBSIL will process the claims according to the status provided by the IPA.

6. If the IPA fails to respond within 10 calendar days, the claims will default to a status of Group Approved and BCBSIL will process the outstanding claims.
   a. Appropriate units will be charged against the IPA’s UM Fund.
   
   b. Challenges to the UM Fund on claims that the IPA failed to respond to will be denied.
c. All claims related to that date of service that are the IPA’s financial risk will also default to Group approved status and the IPA will be required to pay all related services.

7. If a member calls BCBSIL after 45 days from the response to the 095 Report stating the claim remains unpaid, BCBSIL will contact the provider. If the bill is unpaid, BCBSIL will pay the claim, units will be charged, and the IPA forfeits the right to challenge the UM Fund.