Blue Cross and Blue Shield of New Mexico
A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

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P.O. Box 27630
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Rec'd
6/26/06

June 23, 2006

Ms. Betty Gould
Regulations Officer
Division of Regulatory Affairs, Records Access, and
Policy Liaison, Indian Health Service
801 Thompson Avenue, Suite 450
Rockville, MD 20852

Subject: Comments on the Proposed Rule
Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003

Dear Ms. Gould:

Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company, is seeking clarification on several points included in the proposed rule under Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Our comments are attached.

If you have any questions, please contact Rhonda Nichols at (505) 816-4190 or Inge Zamora at (505) 816-4186.

Thank you for your consideration.

Sincerely,

Sarah Soule 6/23/2006

Sarah Soule
Director, BCBSNM

Attachment

cc: Rhonda Nichols, BCBSNM
Inge Zamora, BCBSNM

Questions Regarding Section 506 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003

Submitted by Blue Cross and Blue Shield of New Mexico, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company

1. When the Final Rule is published with an effective date, will the effective date apply to the date of service on the claim or the receipt date of the claim, regardless of the date of service?
2. Long term care hospitals, independent inpatient rehabilitation facilities, and inpatient psychiatric facilities are prospective payment facilities. If they participate with Medicare, will they be included as inpatient services under this regulation?

Section 136.30(c)

3. Does the reference to "negotiated amount" apply to any type of agreements and/or rate quotes in effect, as well as to contracts the hospitals have with the Indian Health Service, even though the other agreements do not necessarily contain FAR clauses?
4. If hospital contracts currently in place with IHS have rates that are not based on Medicare or are not less than Medicare rates, will those contracts become invalidated by this regulation, or will they remain in effect until they expire?
5. Is the Congressional contract that is in place with University of New Mexico Hospital, which has rates that may exceed Medicare rates, exempt from this regulation?

Section 136.30(d)(3)

6. Will using the Medicare timely filing guidelines be waived and/or modified for claims where I/T/U is 1) not the primary payer and the patient has alternate resources or, 2) delayed in sending out a timely purchase order? Medicare is the primary payer the majority of the time and the provider can file as soon as the services are completed. I/T/U is the payer of last resort and therefore, the provider needs to file to all other insurers first and obtain an EOB before filing to I/T/U.

Section 136.30(g)(2)

7. If the facility uses an outside agent to manage its medical records and patient information, is that agent also precluded from charging I/T/U for the records needed for payment determination or quality assurance?