

Payment Policy

Non-Participating Provider Reimbursement	
Original effect date:	Revision date:
01/01/2015	01/01/2023

IMPORTANT INFORMATION

Blue Shield of California payment policy may follow industry standard recommendations from various sources such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), Current Procedural Terminology (CPT) and/or other professional organizations and societies for individual provider scope of practice or other coding guidelines. The above referenced payment policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms or their electronic equivalent. This payment policy is intended to serve as a general overview and does not address every aspect of the claims reimbursement methodology. This information is intended to serve only as a general reference regarding Blue Shield's payment policy and is not intended to address every facet of a reimbursement situation. Blue Shield of California may use sound discretion in interpreting and applying this policy to health care services provided in a particular case. Furthermore, the policy does not address all payment attributes related to reimbursement for health care services provided to a member. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy such as coding methodology, industry-standard reimbursement logic, regulatory/legislative requirements, benefit design, medical and drug policies. Coverage is subject to the terms, conditions and limitation of an individual member's programs benefits.

Application

Blue Shield of California's Non-Participating Provider Reimbursement Payment Policy will apply to professional and facility services performed by a non-participating provider billing services to Blue Shield of California.

Policy

This policy is to document Blue Shield of California existing reimbursement methodology for Non-Participating Providers which is consistent with the methodology applied to Participating Providers and the terms of the member's Evidence of Coverage. The Allowable Amount (Allowance) is the total amount Blue Shield of California allows for Covered Service(s) rendered, or the provider's billed charges for those Covered Services, whichever is less.

The Allowable Amount, unless specified for a particular service is:

1. **For a Participating Provider:** The amount that the provider and Blue Shield have agreed by contract will be accepted as payment in full for the Covered Service(s) rendered.
2. **For a Non-Participating Provider who provides Emergency Services**, anywhere within or outside of the United States:
 - a) **Physicians and Hospitals:** The amount is the Reasonable and Customary Charge;
Or
 - b) **All other Providers:** The amount is the provider's billed charge for Covered Services, unless the provider and the local Blue Cross and/or Blue Shield Plan have agreed upon some other amount.
3. **For a Non-Participating Provider in California** (including one other provider), who provides services (**other than emergency services**):
 - a) The amount Blue Shield would have allowed for a Participating Provider performing the same service in the same geographical area;
or
 - b) **Non-Participating Dialysis Center:** For services prior authorized by Blue Shield, the amount is the Reasonable and Customary Charge.
4. **For a Non-participating Provider Outside of California** (within or outside of the United States), **that has a contract** with the local Blue Cross and/or Blue Shield Plan: the amount that the provider and the local Blue Cross and/or Blue Shield Plan have agreed by contract will be accepted as payment in full for the Covered Service(s) rendered.
5. **For a Non-Participating Provider Outside of California** (within or outside of the United States) **that does not contract** with a local Blue Cross and/or Blue Shield Plan, who provides services (other than Emergency Services): the amount that the local Blue Cross and/or Blue Shield Plan would have allowed for a non-participating provider performing the same services. Or, if the local Blue Cross and/or Blue Shield Plan has no non-participating provider allowance, the Allowable Amount is the amount for a Non-Participating Provider in California.

Rationale

This policy is to document Blue Shield of California existing reimbursement methodology for Non-Participating Providers which is consistent with the methodology applied to Participating Providers and the terms of the member's Evidence of Coverage.

Reimbursement Guideline

Blue Shield of California will reference national or regional industry standards, such as Centers for Medicare & Medicaid Services' (CMS) National Correct Coding Initiative (NCCI) and MUE (Medically Unlikely Edits) rules, and American Medical Association's (AMA) CPT guidelines, as coding standards and as guidance for payment policy. In

claims payment scenarios where CMS and/or CPT reference is lacking or insufficient, the Payment Policy Committee (PPC) may develop customized payment policies that are based on other accepted or analogous industry payment standards and or expert input.

Resources

- **American Medical Association**
<https://www.ama-assn.org/ama>
- **Centers for Medicare & Medicaid Services**
<https://www.cms.gov/>

Policy History

This section provides a chronological history of the activities, updates and changes that have occurred with this Payment Policy.

Effective Date	Action	Reason
01/01/2015	EOC language	Payment Policy Committee
11/08/2017	Payment Policy	Payment Policy Committee
01/01/2023	Formatting Revision	Payment Policy Maintenance

The materials provided to you are guidelines used by this plan to authorize, modify, or deny care for persons with similar illness or conditions. Specific care and treatment may vary depending on individual need and the benefits covered under an enrollee's contract.

These Policies are subject to change as new information becomes available.