
New Statewide Durable Medical Equipment Network Effective August 1, 2013

Frequently Asked Questions for Agents and Employers

Overview

Blue Cross and Blue Shield of North Carolina (BCBSNC) will be implementing a new, statewide durable medical equipment (DME) network effective August 1, 2013. This will help to make DME services more affordable for our members, as well as help control premium costs in order to make it easier for North Carolinians to purchase or maintain health insurance coverage.

As part of our new DME network, Edgepark Medical Supplies (Edgepark) will be the sole, in-network distributor for insulin pumps, continuous glucose monitors (CGMs), and related supplies for these two devices.

This exclusive arrangement with Edgepark does not include general diabetic supplies, which members can continue to purchase through the in-network provider of their choice.

General Information

Why is BCBSNC implementing a new, statewide durable medical equipment network?

In BCBSNC's continued efforts to provide affordable health care to North Carolinians, it is necessary for us to periodically evaluate our current provider relationships and reimbursement structures to determine if the services we are purchasing on behalf of our members are fair and equitably priced. As a result of this type of evaluation, BCBSNC has determined that an adjustment is required to our existing DME reimbursement structure in order to continue to meet our objective of providing affordable health care to North Carolinians.

When will the new DME network be effective?

BCBSNC's new, statewide DME network will be effective August 1, 2013. Edgepark will be our sole in-network provider of insulin pumps, continuous glucose monitors and related supplies effective August 1, 2013.

Will BCBSNC be making any changes to what types of DME items are covered?

- Insulin pumps, continuous glucose monitors and related supplies will no longer be reimbursed through the statewide DME network. BCBSNC has entered into an exclusive relationship with Edgepark Medical Supplies to be the sole in-network distributor of these supplies for our eligible members.
- Hospital beds, mattress overlays, oxygen devices, pulse oximeters and apnea monitors will move from the purchase category to the capped rental category.
- Oxygen contents will now be considered a supply.

Why is BCBSNC entering into an exclusive agreement with Edgepark to supply our members with insulin pumps and continuous glucose monitors?

In BCBSNC's continued efforts to provide affordable health care to North Carolinians, it is necessary for us to periodically evaluate our current provider relationships and reimbursement structures to determine if the services our members are purchasing are fair and equitably priced. As a result of this type of evaluation, BCBSNC has decided to contract exclusively with Edgepark Medical Supplies to provide our members with insulin pumps, continuous glucose monitors, and related supplies via Edgepark's mail-order program.

We save money for our customers by coordinating all insulin pump and continuous glucose monitor purchases through one vendor, which also helps ensure that they receive the best possible product pricing for these specific items.

What specific supplies will be exclusively available to members through Edgepark?

Edgepark Medical Supplies will be the sole in-network distributor of insulin pumps, continuous glucose monitors, and related supplies for our eligible members.

This means that as of August 1, 2013, insulin pumps, continuous glucose monitors, and related supplies must be purchased through Edgepark in order to be reimbursed at the in-network benefit level. Purchases through any other provider will be paid at the member's out-of-network benefit level on or after August 1, 2013.

Can providers refer members to a DME provider other than Edgepark for their insulin pump and CGM needs?

Providers and member always have a choice about which provider they choose to use or refer to for health care services (with the exception of our HMO and EPO plans). It is ultimately the member's responsibility to ensure that services received are provided by an in-network provider, but it's also important for in-network providers to remember that they have a contractual obligation to refer our members to other in-network providers. Members will be subject to paying higher out-of-network costs if they receive their supplies or services from an out-of-network provider.

How will DME providers be notified about this important change regarding these specific supplies?

In-network DME providers were notified about these important changes in their contract confirmation letters, which were sent beginning July 1, 2013. Also, Edgepark and BCBSNC contacted high-volume prescribing endocrinologists in June and July to advise them of this upcoming change, so they can start referring members to Edgepark for their prescribed insulin pump and continuous glucose monitor needs.

Will the BCBSNC online Find a Doctor tool be updated to include the Edgepark-exclusive arrangement?

BCBSNC has recently created a specialty category within the DME segment of our provider directory that will direct members and providers to Edgepark for their insulin pump and CGM

needs. Note that this category is only available for users who refine their search to a North Carolina ZIP code.

Which lines of business will be impacted by the new DME network?

The new DME network will apply to all commercial business, both individual and group, as well as our ASO group business, the State Health Plan, and the Federal Employee Program. It will **not apply** to Blue MedicareSM products.

Patient-Specific Information

What should members do to continue to get supplies related to their insulin pump or continuous glucose monitor (CGM) as of August 1?

If the member is not already getting these related supplies from Edgepark, they should contact Edgepark for supply orders related to their insulin pumps or CGMs as of August 1, 2013, as Edgepark will be the sole distributor for these items as of August 1.

What happens if a member has Medicare or another commercial insurer as primary and BCBSNC as secondary?

If the DME provider is considered in network for the primary insurance, BCBSNC will continue to pay as secondary without regard to whether or not the provider is in or out of network with us. Members who have BCBSNC as secondary can continue to use their current DME provider.

How are out-of-state members affected by BCBSNC's new DME network?

For DME services, in-network providers are located within the state where the equipment or supply was shipped (receiving address), and the member's local Blue Cross and Blue Shield Plan determines whether it is an in-network or out-of-network service.

To maximize their benefits at the in-network level, members should work with their physicians to make certain they are receiving their DME services (sometimes called ancillary services) from an in-network provider. If members are referred for a DME service, they should consult with their physician for a referral to an in-network provider, or contact BCBSNC at the number on their member ID card.

What happens if a member with another BCBS Home Plan purchases an insulin pump or CGM from a North Carolina DME provider other than Edgepark?

As any other North Carolina DME network provider will no longer be eligible to sell these specific devices on an in-network basis as of August 1, except for Edgepark, the items in question will be subject to the member's out-of-network benefits.

To maximize their benefits at the in-network level, members should work with their physicians to make certain they are receiving their DME services (sometimes called ancillary services) from an in-network provider. For DME services, in-network providers are located within the state where the equipment or supply was shipped (receiving address), and the member's local Blue Cross and Blue Shield Plan determines it is an in-network or out-of-network service.

If members are referred for a DME service, they should consult with their physician for a referral to an in-network provider, or contact BCBSNC at the number on their member ID card.

What resources will be available to new insulin pump and CGM patients through Edgepark?

BCBSNC is setting up an independent, dedicated Insulin Pump Center (IPC) for BCBSNC patients, which will provide them with benefit information and unbiased pump product information to assist them in making informed decisions about which insulin pump product will best meet their needs.

The IPC will serve as a liaison between the patient and the pump manufacturer to ensure training and service needs are handled quickly and accurately. The IPC will also help patients with any trouble-shooting that may be needed with the device, including helping to determine when it's time to replace the item.