

BULLETIN

OMC 2002-02

TO: All Insurers, Health Service Corporations, Hospital Service Corporations, Medical Service Corporations, Health Maintenance Organizations Doing Business in New Jersey

FROM: Marilyn Dahl, Senior Assistant Commissioner, New Jersey State Department of Health and Senior Services

DATE: June 25, 2002

RE: Award of new Contracts for the Independent Health Care Appeals Program with revised Fees; revised Independent Health Care Appeals Program Form

This bulletin is to inform all insurers, health service corporations, hospital service corporations, medical service corporations and health maintenance organizations (collectively, "carriers") that are subject to the Health Care Quality Act, L. 1997, c. 192 (as generally codified, N.J.S.A. 26:2S-1 et seq.), of certain administrative changes being made with respect to the Independent Health Care Appeals Program ("IHCAP"). The IHCAP was established and operates in accordance with N.J.S.A. 26:2S-11 and 12.

The Department of Health and Senior Services ("DHSS") contracts, through the State of New Jersey bidding process, with at least two independent utilization review organizations, generally for a three year term, with an option to extend the contract(s) for a period of time. For the first contract period, DHSS contracted with two IUROs. DHSS requested bids for IURO services for the IHCAP operations in the fall of 2001. The current IURO contracts expired December 31, 2001, but were extended until June 30, 2002, while the bid process continued. After a review of all of the bids, DHSS elected to offer, and the Department of Treasury approved award of, a contract to the same two vendors who have been performing IURO services for the IHCAP, at increased fees. The beginning date of the contract period shall be July 1, 2002, and shall run for three years. Interested readers may view the technical award information online at www.state.nj.us/treasury/purchase/contracts.htm (see, T1683). The information regarding the award should be updated on or about July 1, 2002. In addition, readers are reminded that the bids and awards are public information that can be accessed through the Division of Purchase and Property of the New Jersey Department of Treasury.

Appeals forwarded to an IURO by DHSS on or after July 1, 2002 shall be processed under the new fee structure. Accordingly, carriers will be liable for the following fees:

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Independent Utilization Review Organization	Preliminary Review	Full review
Island Peer Review Organization (IPRO)	\$75.00	\$595.00
Peer Review Organization of New Jersey (PRONJ)	\$100.00	\$600.00

If an appeal only goes through preliminary review, the carrier will be responsible for the costs of preliminary review only. If an appeal goes through full review, the carrier will be responsible for the costs of full review; the full review fee is inclusive of the preliminary review fee.

In addition, DHSS is advising carriers that the forms previously used for filing appeals with the IHCAP (that carriers are required to supply to their covered lives with the notice of an adverse determination on a Stage 2 internal appeal) have been revised. To date, DHSS had distributed two forms, one for filing appeals by HMO members, and another for filing appeals by nonHMO covered lives. DHSS has now combined the forms, and updated the information contained on the forms to better reflect changes in the IHCAP that occurred in calendar year 2001. A small number of revised forms is enclosed with the bulletin. As always, carriers with utilization management features applicable to their health benefits plans need to maintain supplies of these forms themselves for distribution to their covered lives that are eligible for the IHCAP.

If you have any questions regarding the information contained in this bulletin, you may contact Sylvia Allen-Ware, Director, Office of Managed Care, at: 609-633-0660 (telephone); 609-633-0807 (facsimile); or, Sylvia.Allen-Ware@doh.state.nj.us.