

New MS-DRGs

On August 1, 2007, the Centers for Medicare and Medicaid Services (CMS) issued its final rule for Federal fiscal year 2008 announcing its plans to move ahead with a new Medicare Severity-Diagnosis Related Group (MS-DRG) system. The rule creates 745 new severity-adjusted MS-DRGs to replace the current 538 DRGs. Due to the limited amount of time allowed to analyze and implement the new MS-DRGs, Blue Cross and Blue Shield of Louisiana has decided NOT to implement the 2008 DRG Grouper (version 25 or MS-DRGs) on October 1, 2007. We will continue using the 2007 DRG Grouper (version 24) until mid-year 2008. Programming will be implemented to accept new ICD-9 diagnosis codes on October 1, 2007. We will keep you informed of our progress in converting to the new MS-DRG system.

Sleep Lab Accreditation Requirement

Blue Cross requires all sleep centers to be certified through either Joint Commission on Accreditation of Healthcare Organizations (JCAHO) or American Academy of Sleep Medicine (AASM). Beginning January 1, 2008, if a hospital is not accredited, Blue Cross will not authorize sleep services at the non-accredited facility. Additionally, some members will not have benefits if they receive services from a non-accredited sleep center. We are in the process of contacting hospitals to determine the accreditation status of hospital-based sleep centers. If your sleep lab is not accredited, we encourage you to obtain accreditation so there is no disruption in your sleep lab's network status. If you have any questions about your sleep center's status with Blue Cross, please call your Provider Contracting Representative.

Healthcare Facts® Refresh

It's time to refresh the hospital data on Healthcare Facts and in the coming weeks, we'll be sending all large and community hospitals information on the upcoming data refresh. When you get the information, you'll notice some changes to Health Care Facts. Over the last several months, we have worked with Louisiana Hospital Association and HSLI, in addition to conducting local focus groups to obtain feedback on how Healthcare Facts can better serve consumers. Based on feedback from these groups and additions to the Leapfrog metrics, we re-evaluated some of the Healthcare Facts measures and will be making the following changes:

- Eliminating the measure, "Rate of Patient Falls with Injury"
- Adding a new measure that will give consumers information on the physicians who admit to each hospital
- Changing descriptions of some of metrics, including facility improvement area
- Changing the top five practice areas of each hospital to a "pick" list based on volume aggregated by MDC
- Adding four new Leapfrog volume metrics
- Changing the term "Price" to "Affordability" to describe the \$\$ signs
- Providing a new data entry tool for hospitals to electronically provide their updated data
- Providing webinars and hospital-directed training materials regarding self-service tools which will be e-mailed directly to hospital contacts by September 4, 2007.

Healthcare Facts®
Shopping for Care

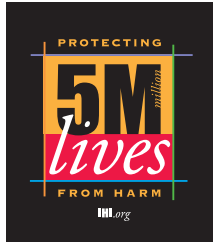
Refreshed data collection will begin by September 17, 2007. Please be on the look out for this information in the coming weeks.

Hospital Participation Needed in 5 Million Lives Campaign

In December 2006, America's Blue Cross and Blue Shield Plans joined the Institute for Healthcare Improvement (IHI) in expanding the national 5 Million Lives campaign which is designed to dramatically reduce incidents of medical harm in U.S. hospitals. The goal of the 5 Million Lives campaign is to protect patients from five million incidents of medical harm by December 2008. The Campaign challenges

hospitals to enroll and adopt suggested changes in care that save lives and reduce patient injury. Complete details on the program changes can be found on the campaign's web site (see the following link).

Hospital participation nationwide is vital to the Campaign's success. Currently, it appears that some southern states are lacking in hospital participation. For instance, Massachusetts and North Carolina have 100 percent participation while Louisiana, Mississippi, Texas, and Alabama has 30 to 40 percent participation.



We encourage all Louisiana hospitals to become a part of this campaign. There is no cost for a hospital to enroll-just a commitment for change. For more information and resources, visit www.ih.org/ih/programs/campaign.

Blue Membership as of July 2007

Alexandria	39,259
Baton Rouge Area	181,524
Lafayette Area	128,069
Lake Charles Area	62,882
Monroe Area	44,691
New Orleans Area	235,997
Shreveport Area	87,458
Out of State	7,039
<u>Undefined (includes BlueCard members)</u>	<u>320,107</u>
Total	1,107,026

Contacts for Questions

If you have any questions about any of the information in this publication or any other questions, you may contact:

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