Blue Cross Blue Shield of Arizona QPA Disclosure

Blue Cross Blue Shield of Arizona (BCBSAZ) adheres to the legal requirements set forth in 29 CFR 2590.716-6 and 45 CFR 149.140 (the No Surprise Act (NSA)) for calculation of the Qualifying Payment Amount (QPA). To derive the QPA, BCBSAZ uses its 2019 fee-for-service contract rates (adjusted for inflation) for a specific procedure, for a specific specialty, for a specific Metropolitan Statistical Area (MSA), for a specific market segment.

QPA for all non-air ambulance services is listed on the remittance advice as the "allowed amount" per service code. QPA for air ambulance services is listed as the lesser of billed charges or an amount per mile and as base fee for 2023 air ambulance claims.

Please note: For air ambulance claims and any other claims where BCBSAZ determines that the QPA calculation does not represent fair value for the service rendered, **the basis for BCBSAZ's initial payment amount may vary from the QPA.**

Does the QPA include any contracted rates not on a fee-for-service basis?
Yes. The QPA is derived using both fee-for-service amounts, and arrangements that pay on a case rate (DRG), a bundled rate, and, for facilities, any outlier/stop-loss reimbursement. We determined the outlier/stop-loss used for the QPA calculation using average payouts in recent historical claims but based on contracts as of January 31, 2019.

Was the QPA calculated using underlying fee schedule rates or a derived amount?
The QPA is primarily calculated from rates in BCBSAZ fee schedules, which include separate schedules for professional services, outpatient surgery centers, DRGs, and per diems. As explained above, in some cases, the QPA incorporates derived "rates" to reflect reimbursement for outlier/stop-loss payments.

Did BCBSAZ use an eligible database to calculate the QPA?
No. Because BCBSAZ has sufficient information and contracts, we do not need to default to use of a third-party database.

If yes, what database?
Not applicable as no third-party database was used.

Was a related service code used to determine the QPA for an item or service billed under a new service code?
If a service code is less than 18 months active, a comparable service code, in both type and severity, is used for the purposes of deriving the QPA, using the process described below. All related service codes that AZ Blue uses to compute the QPA are available on this site at https://www.azblue.com/provider/resources/claims-and-remits/no-surprises-act

If yes, information to identify the related service code:
A certified medical coder reviews both the current code (less than 18 months of use) and prior codes to find the most comparable service description. Once a comparable service code is determined that precedent is used for future claims that have the same service code.

Do BCBSAZ rates include risk-sharing, bonus, penalty, or other incentive based or retrospective payments or payment adjustments that were excluded from the QPA calculation?
Incentive-based rewards programs or bonuses/penalties are not infused into the fee-for-service allowed amount for 2 primary reasons: (1) they are infrequent; and (2) they are included only as a result of global contract negotiation and bargaining over multiple terms and concessions. There is no way to derive a credible amount by looking at past history. Incentives and value-based rewards that are applied to the fee for service value (e.g., an additional X percent of a provider's negotiated rate) are incorporated into the calculation of the QPA.