



An Independent Licensee of the Blue Cross Blue Shield Association

BCBSAZ Claim Payment Advance Program

What is the BCBSAZ Claim Payment Advance Program?

Blue Cross® Blue Shield® of Arizona (BCBSAZ) developed the Claim Payment Advance Program to support medical network physicians and acute-care hospitals that meet certain criteria, including experiencing a specific level of decrease in patient volume and claim reimbursement as a result of the COVID-19 crisis. It offers qualified providers an opportunity to receive a three-month, interest-free claim payment advance (loan) to help ease the strain on cash flow.

What is the timeframe for this program?

The program runs from June through August. Applications will be accepted through July 20 and the last month for providers to receive an advance is August. Loans need to be paid back in full by October 31, 2020.

Is my practice eligible for a claim payment advance?

Eligibility for a claim payment advance includes the following criteria:

- The applicant is a BCBSAZ network provider in good professional standing with licensing boards and with BCBSAZ (not in active clinical review or under a program integrity investigation).
- The applicant is in good financial standing with BCBSAZ (no past-due overpayments).
- The applicant is financially solvent, not currently in bankruptcy, and not contemplating filing for bankruptcy protection.
- In the last two weeks leading up to the date of the application, the applicant has experienced a weekly average reduction of 33% in allowed amount for BCBSAZ fully insured plans, compared with the average weekly payments received year to date (minus the last two weeks).
- In the last six months leading up to the date of the application, the applicant has met a minimum threshold in reimbursement from BCBSAZ. The specific reimbursement amount may vary for different provider types and service areas.
- Other factors and information may apply.
- The specific criteria for physicians and hospitals may vary.

How much money is available through a claim payment advance?

We'll calculate your payment amount to help offset 50% of the anticipated claim payment deficit on fully insured claims during the 13-week period from June through August. Here's how we'll decide the amount:

The calculation formula uses the allowed amount received on claims for BCBSAZ fully insured plans. (It does not include amounts received for self-funded group plans, TPA-administered plans, specialty, dental, or limited benefit plans, Federal Employee Program® plans, out-of-area BlueCard® plans, and Medicare plans.)

We calculate the difference between the average weekly payment year to date (minus the most recent two weeks) and the average weekly payment during the shortfall period (last two consecutive weeks prior to the application date). This amount is the payment deficit.

We divide the payment deficit by two to get the average deficit.

We then multiply the average deficit by 13 to determine the total impact amount for the 13-week period from the beginning of June through August.

Then, 50% of the total impact amount is distributed in three equal payments across the three-month period.

Prorated adjustments will be made for providers participating in the program for less than the full 13-week period. The following example is solely for illustration purposes:

Sample calculation for loan amount (based on allowed amount for fully insured member claims)	
Estimated average weekly payment (year to date, minus the last two weeks)	\$ 10,000
Week 1 before application date: (shows 50% reduction from average)	\$ 5,000
Week 2 before application date: (shows 40% reduction from average)	\$ 6,000
New weekly average ($\$5,000 + \$6,000 = \$11,000 \div 2$)	\$ <u>5,500</u>
Estimated average weekly impact ($\$10,000 - \$5,500 = \$4,500$)	\$ 4,500
Total June – August impact ($\$4,500 \times 13$ weeks)	\$ 58,500
BCBSAZ monthly advance to provider ($\\$58,500 \div 3 \times 50\%$)	\$ 9,750

How do I apply for a claim payment advance?

You can download application forms on our COVID-19 page at azblue.com/coronavirus-providers under the “Offering cash-flow relief for network providers” header. Complete the appropriate application form and a W-9 form and send both to contracts@azblue.com. The last day to apply is July 20.

Can I apply for the claims payment advance on behalf of a group practice?

Yes, you can apply on behalf of a group practice. BCBSAZ will issue claim payment advances based on the following guidelines.

- If you practice and bill as a group, we will issue the claim payment advance to the group and both the practice and all member/owner practitioners will be required to sign the agreement and commit to repayment. Individually-contracted sole practitioners will receive payment and sign the agreement committing to repayment.
- If you have an individual contract with BCBSAZ but practice and bill as part of a group under a group TIN, you can't apply just for yourself.
- We will issue one claim payment advance per hospital system, even though the system might have multiple facilities and contracts with BCBSAZ.

When will I receive the first payment?

We'll review your application, verify your eligibility, and, if your application is approved, send you a contract for your signature (the signature process will be electronic only). We'll process payments toward the beginning of each month. If we receive your signed agreement prior to that time, the payments will start then. If not, the payments will start in the next month, with the last month for any payments being August.

How will the advance payment be dispersed?

Your claim advance payment will be sent electronically or to the address on file for your reimbursement transactions.

Can I request my payment be sent to an alternate address?

No. We will we send your payment electronically or to the address on file for your reimbursement transactions.

What is the repayment plan?

You are required to pay back the full amount of the claim payment advance by October 31, 2020. You may make interim payments before that date.

What if I am unable to repay the total advance amount by October 31?

After October 31, any unpaid balance will begin accruing interest. We reserve the right to offset any overdue amounts, plus interest, in whole or in part, against ongoing claim payments you are due under your BCBSAZ participation agreement (or any other agreement in effect between you and BCBSAZ).

Can I apply for a claim payment advance even if I'm not sure I meet the eligibility criteria?

Yes, if you are in need of help but aren't sure if you meet the eligibility criteria, you can go ahead and apply. We'll take your application through the eligibility verification and approval process to see if you qualify.

For more information or if you have questions, contact your [provider relations coordinator](#) or call Provider Partnerships at 602-864-4231 or 1-800-232-2345, ext. 4231.

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