
LAB ALERT

Date: June 18, 2019

Physician Offices Billing Update: Commercial Payors Change in Policy for Pass-Through Billing

Dear Regional Pathology Clients,

We wanted to share with you updates from some commercial payors that have changed their policies regarding pass-through billing for physician offices.

Pass-through billing occurs when an ordering physician requests a service and bills insurance for it but does not perform the service (modifier 90), nor do those under the physician's direct employment. Pass-through billing rules are always being changed by insurers, including Cigna, Humana, UnitedHealthcare, and Aetna/Coventry.

Physician offices should contact their regional contracting representative about their specific contract with the insurer. Contact your Regional Pathology Services Account Manager for questions about your account or to update your billing preferences. The account managers contact information can be found at <http://www.reglab.org/contact-us/>.

Below are some insurers that have specific rules about pass-through billing:

From Cigna's secure provider website Effective May 18, 2019:

Laboratory test procedures must be performed in a laboratory by you or your staff. You will only be reimbursed for covered services that you are certified to perform through the Clinical Laboratory Improvement Amendments (CLIA). All tests for laboratory procedures that you are not certified to perform through CLIA must be referred to a participating laboratory provider.

Please note that pass-through billing is not permitted for tests that are not performed by you. These tests may not be billed to Cigna or any Cigna affiliate, payer affiliate, payer, or participant.

From Humana's provider manual:

Humana prohibits pass-through billing. Provider agrees that services related to pass-through billing will not be eligible for reimbursement from Humana and Provider shall not bill, charge, seek payment or have any recourse against Humana or Members for any amounts related to the provision of pass-through billing.

From UnitedHealthcare's 2017 administrative guide:

If you are a healthcare care provider, you must only bill for services that you or your staff perform. Pass-through billing is not permitted and may not be billed to our members. For laboratory services, you will only be reimbursed for the services you are certified to perform through [CLIA]. You must not bill our members for any laboratory services for which you lack the applicable CLIA certification.

From Aetna OfficeLink Updates:

Effective Sept. 1, 2017, we'll deny pass-through billing for most lab charges from a facility or a nonfacility provider. The provider that performs the test must bill for these services. We will pay for pass-through billing during an inpatient hospital admission. We will also pay facilities for pass-through billing for members receiving outpatient services at the facility and for specimen collection that occurs at the facility on the same day as other service