



Payment Integrity Administrative Policy: Laboratory Benefit Management Program

EFFECTIVE DATE:	APPROVED BY
3/01/2023	RPC (Reimbursement Policy Committee)

Policy Statement:

Lab testing is the gateway to appropriate diagnosis and treatment plans, and there are more than 13 billion lab tests performed annually in the U.S. Those results influence 70% of all medical decisions. Lab testing is highly complex and constantly evolving.

In our continued efforts to provide consistent routine testing management while remaining provider and member friendly, EmblemHealth will be collaborating with Avalon Healthcare Solutions (Avalon) on a new Laboratory Benefit Management Program (LBM). Avalon will be providing Routine Testing Management services to EmblemHealth with automated review of high-volume, low-cost laboratory tests.

Policy Guidelines:

Avalon's automated policy enforcement combines clinical science-based research with innovative technology and is designed to help ensure the consistent application of EmblemHealth laboratory policies and guidelines to claims with laboratory services.

Laboratory services reported on claims will be reviewed (post-service and pre-payment) for adherence and consistency with our laboratory policies and guidelines, as well as industry standardized rules, such as but not limited to:

- Evaluating services for being experimental and or investigational.
- Meeting clinical appropriateness for patient demographics.
- Reporting multiple units billed for appropriateness of specific unit allowances under our laboratory policies and guidelines.

Avalon's automated policy enforcement will be applied by EmblemHealth to claims with laboratory services provided in office, hospital outpatient, and independent laboratory locations.

Note: Laboratory services, tests, and procedures provided in emergency room, hospital observation, and hospital inpatient settings are excluded from this program.



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LBM Program Frequently Asked Questions (FAQs):

General Questions:

1. WHO OR WHAT IS AVALON?

Avalon Healthcare Solutions is the industry leading comprehensive laboratory benefits manager helping payers, physicians and consumers optimize the cost-effective use of diagnostic laboratory tests. EmblemHealth is partnering with Avalon to offer a suite of laboratory benefit management services, including lab policies, and routine testing management. Avalon's goals are to:

- Increase access, quality, and affordability of lab care
- Enable providers to navigate policy adherence with claim simulation tools
- Enhance the patient healthcare experience

Through this partnership, EmblemHealth will have the ability to ensure members are able to get the right test at the right time.

2. WHAT IS THE BENEFIT FOR EMBLEMHEALTH, TO CONTRACT WITH AVALON?

Avalon's Laboratory Benefit Management promotes appropriate testing which helps to drive quality and cost-effective medical care.

3. WHAT SUPPORT TOOLS DOES AVALON USE IN THE LBM PROGRAM?

Avalon's routine testing management program automates the enforcement of laboratory policies when fixed criteria can be applied consistently across the population and a medical necessity review is not required. Avalon's Automated Policy Enforcement Application (APEA) supports the routine testing management program.

Policy Administration:

4. ARE THESE POLICIES AVALON'S OR EMBLEMHEALTH'S?

The lab policies Avalon helps to enforce are EmblemHealth policies. Avalon developed and proposed many of these policies, leveraging their independent Clinical Advisory Board of recognized experts in laboratory science.

5. WHERE DO I FIND THE MOST UP-TO-DATE INFORMATION RELATED TO EMBLEMHEALTH REIMBURSEMENT POLICIES?

A full listing of all reimbursement policies are available in the Reimbursement Policy section of the provider website. *See also table by policy title included at the end of this policy*



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6. WHAT IS THE PROCESS TO CREATE A NEW LAB POLICY?

The process to develop new and revise existing scientific lab policy is comprised of four basic steps: identify need, assemble information, vet content, and secure client approval.

Sources used to identify the need for a new or revision to an existing policy are various, including health plan utilization data, position statements from professional medical societies, and publications from entities recognized as leaders in evidence-based health care research, such as the National Comprehensive Cancer Network (NCCN).

Once the benefit to creating or revising a policy is confirmed, appropriate literature sources are queried to derive relevant content for placement into Avalon's defined format for policy construction. This structure provides for documentation of what clinical condition/lab test is being addressed by the policy (Definition), why the test is important to consider, given the clinical condition (Background), what recommendations from credible sources currently exist to advise on the appropriateness of testing (Guidelines), and when testing is/is not considered appropriate, in the form of Indications/Limitations of Coverage criteria.

Once the policy is created, it is presented to the Avalon Clinical Advisory Board. Once approved from the scientific, evidence-based standpoint, the policy is further presented to EmblemHealth consideration.

7. HOW ARE PLAN PROVIDERS NOTIFIED ABOUT CHANGES TO THE POLICIES?

Changes to EmblemHealth policies are communicated to providers through usual channels – they are announced in our monthly newsletter publication and published on the Reimbursement Policy portions of provider websites.

Routine Testing Management Questions:

8. WHAT IS THE AUTOMATED POLICY ENFORCEMENT APPLICATION (APEA)?

APEA is an algorithmic software engine that reviews key claim and demographic data elements to determine adherence to policy. Avalon's APEA technology combines the best in clinical research with scalable, reliable technology to enhance the enforcement of lab policies.

9. WHEN IS THIS PROGRAM EFFECTIVE?

APEA will be configured to process EmblemHealth laboratory claims beginning with dates of service on or after March 1, 2023.

10. WHAT TYPES OF POLICY RULES WILL APEA ADMINISTER?

APEA performs several types of edits:

- Mutually exclusive procedures
- Prerequisite procedures (add-ons)
- Unit limits on a single date of service (within and across claims)



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- Unit limits over a period (e.g., 15 units permitted per 3 months)
- Frequency between procedures (e.g., minimum of 14 days between tests)
- Appropriateness of the clinical situations (i.e., analysis of all diagnosis codes on the claim)
- Demographic edits

11. DOES THIS PROGRAM REVIEW ALL DIAGNOSES ON A CLAIM?

Yes, APEA reviews all diagnoses on a claim.

12. HOW IS A PROVIDER SUPPOSED TO KNOW IF A PATIENT RECEIVED A TEST FROM ANOTHER PROVIDER WITHIN A FREQUENCY LIMITATION? E.G. HBA1C

Please refer to our reimbursement policies for additional details.

[EmblemHealth Reimbursement Policies](#)

*Policies can be filtered by typing “LBM” in the Search bar, shown below. Only “Laboratory Benefit Management” policies will populate.

Reimbursement Policies

Title ▼	Download (PDF)
<input type="text" value="Search..."/>	



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Revision History

Company	DATE	REVISION
EmblemHealth	11/18/2025	<ul style="list-style-type: none">Transferred policy content to individual company-branded template. No changes to policy title or policy number.
EmblemHealth	6/2024	<ul style="list-style-type: none">Lab Benefit Program (LBM) expanded to include EmblemHealth HMO/ PPO (Non-City) Commercial, Medicare and Medicaid Plans effective 10/1/2024
EmblemHealth	7/2023	<ul style="list-style-type: none">Removed "Table of Reimbursement Policies"Added instructions for searching LBM policies on EmblemHealth web site
EmblemHealth	5/11/2023	Added "Coronavirus Testing in the Outpatient Setting (LBM)" to Table of Reimbursement Policies, effective 5/12/2023
EmblemHealth	12/01/2022	Added table of reimbursement policies by title to this policy.
EmblemHealth	10/2022	New Policy