

# Laboratory Benefit Management Program

Provider Training Guide



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# What is the Laboratory Benefit Management Program?

- EmblemHealth and ConnectiCare collaborates with Avalon Healthcare Solutions (Avalon) to implement a Laboratory Benefit Management (LBM) program.
- This helps us stay current and process laboratory claims with greater accuracy and consistency.
- Using their expertise in laboratory services, Avalon reviews laboratory services performed in office, hospital outpatient, and independent laboratory settings reported on claims (post-service and pre-payment) for adherence and consistency with our laboratory policies and guidelines, as well as industry standardized rules.
- Avalon provides routine testing management services with automated review of high-volume, low-cost laboratory tests.



# The Unrecognized Power — and Exposure — of Lab Testing

13 BILLION LAB TESTS PERFORMED IN THE UNITED STATES EACH YEAR, COSTING \$82B\*



**70%**  
medical decisions  
based on lab  
results\*\*



**30%**  
lab tests are  
unnecessary\*\*\*



**1 in 3**  
genetic tests  
ordered in error\*\*\*



**2-3x**  
variation in lab  
costs by site†

\*[aacc.org/health-and-science-policy/aacc-policy-reports/2015/laboratory-medicine-advancing-quality-in-patient-care](https://www.aacc.org/health-and-science-policy/aacc-policy-reports/2015/laboratory-medicine-advancing-quality-in-patient-care) and U.S. Clinical Laboratory Industry Forecast & Trends 2018-2020, [laboratoryeconomics.com](https://www.laboratoryeconomics.com).

\*\*Forsman, RW. Why is the laboratory an afterthought for managed care organizations? Clin Chem 1996;42:813–6.

\*\*\* Zhi M, Ding EL, Theisen-Toupal J, Whelan J, Arnaout R (2013). The Landscape of Inappropriate Laboratory Testing: A 15-Year Meta-Analysis. PLOS ONE 8(11): e78962. [doi.org/10.1371/journal.pone.0078962](https://doi.org/10.1371/journal.pone.0078962).

†Shrank WH, Rogstad TL, Parekh N. Waste in the US Health Care System: Estimated Costs and Potential for Savings. JAMA. 2019.



# Policy Development: What Does the Science Say?

LAB POLICY DEVELOPMENT IS CENTERED ON INPUTS FROM THE FOLLOWING:

- Avalon's dedicated, full-time scientists support and maintain ~70 routine outpatient lab policies; EmblemHealth and ConnectiCare adopted 68 policies.
- All policies are researched, written, and maintained in-house by a dedicated science team.
- Demonstrated conditions of coverage.
- Each policy has robust scientific rigor, typically using ~50 references.
- Annual updates approved by Avalon's independent clinical advisory board.



# Avalon Clinical Advisory Board



**Geoffrey Baird, MD, PhD**

- **Practicing Pathologist, Board Certified.**
- **Professor and Chair of Laboratory Medicine and Pathology, Dept. of Laboratory Medicine and Pathology, University of Washington, Seattle.**
- **Director of Clinical Chemistry, Harborview Medical Center, Seattle.**



**Timothy Hamill, MD**

- **Professor Emeritus and Ex-Vice Chair, Laboratory Medicine, University of California, San Francisco.**
- **Prior Director, UCSF Clinical Laboratories.**



**Jane Gibson, PhD**

- **Professor of Pathology and Chair, Dept. of Clinical Sciences and Associate Dean for Faculty Affairs at the University of Central Florida College of Medicine.**
- **Founding Fellow of the American College of Medical Genetics (ACMG).**



**Brian Rubin, MD, PhD**

- **Practicing Pathologist with subspecialty expertise in bone and soft tissue tumors.**
- **Professor and Vice Chair of Pathology; Director, Soft Tissue Pathology; Director, Bone & Soft Tissue Pathology, Fellowship Program, Cleveland Clinic.**



**Brian R. Smith, MD**

- **Professor and Chair of Laboratory Medicine, Professor of Biomedical Engineering, Medicine (Hematology) and of Pediatrics, Yale School of Medicine.**



# Process of Policy Review, Adoption, and Publication



## Personalize

EmblemHealth formats lab policies for publication.

## Policy Publication

Policies published on EmblemHealth and ConnectiCare websites.

## Provider Notification

Provider notice period prior to enforcement.



# Routine Testing Management

- Avalon proprietary software (APEA) is used to ensure compliance with EmblemHealth and ConnectiCare reimbursement policies.
- Not utilization management/Not medical necessity.
- APEA edits are applied post-service and pre-payment.
- APEA applies to all outpatient lab testing.
- ER/Inpatient/Observation claims out of scope.
- APEA advice is provided in accordance with:
  - AMA CPT and HCPCS coding, and ICD-10 diagnosis coding guidelines.
  - Other laboratory and pathology coding guidelines.
  - All applicable regulatory guidelines.
  - “Fixed” coverage criteria found in EmblemHealth and ConnectiCare policy.





# Translating Lab Policies Into Automated Rules



Lab coding and coverage

>500 sourced correct coding and coverage rules

Including LCDs and NCDs across all lines of business



Comprehensive lab policies

Thyroid lab testing covered by ≈20 pages of policies



Smart lab coding rules

Policies translate to >200 thyroid lab rules

Contemplating thousands of permutations of data attributes



Automated lab claim adjudication

Thyroid rules are applied to claims via APEA connectivity



# Locating Policy Information

- Extensive **laboratory reimbursement policies**:
  - EmblemHealth Reimbursement Policies: [emblemhealth.com/providers/claims-corner/reimbursement-policies](https://emblemhealth.com/providers/claims-corner/reimbursement-policies)
  - ConnectiCare Reimbursement Policies: [connecticare.com/providers/our-policies/reimbursement-policies](https://connecticare.com/providers/our-policies/reimbursement-policies)
- Provider FAQs are included in our **Laboratory Benefit Management Program Payment Integrity Policy**: [emblemhealth.com/content/dam/global/pdfs/provider/payment-integrity-policies/laboratory-benefit.pdf](https://emblemhealth.com/content/dam/global/pdfs/provider/payment-integrity-policies/laboratory-benefit.pdf)
- Provider newsletter, *Office Visit*, with an article on **Avalon Laboratory Management Program**: [emblemhealth.com/providers/resources/provider-articles/office-visit-archives/office-visit-november-2022](https://emblemhealth.com/providers/resources/provider-articles/office-visit-archives/office-visit-november-2022)



# Examples of Avalon Policy Enforcement Application

Rule	Definition
Diagnosis Constraints and Allowances	Procedure and diagnosis required or prohibited combinations.
Demographics	Limitations based on patient age.
Procedure Units	Within and across claim for a date of service.
Units/Period-of-Time	Maximum allowable units within a defined period-of-time.
Time Between Procedures	Minimum time required before a second procedure is clinically appropriate.



- Appeals continue to be handled by EmblemHealth and ConnectiCare.
- Denial reason communicated on EOP/EOB and Provider 835 Remittance advice.



# Common Policy Examples

Policy	Edit Type	Rule
Vitamin D	Procedure and Diagnosis Code compatibility	Always allowed or Never allowed
	Frequency	Two units per year
Vitamin B12	Procedure and Diagnosis Code compatibility	Always allowed or Never allowed
	Frequency	One unit every three months
HbA1c	Procedure and Diagnosis Code compatibility	<ul style="list-style-type: none"> <li>• Diabetic or pregnant</li> <li>• Diabetic</li> <li>• not diabetic for <math>\geq 18</math>-year-old</li> <li>• not diabetic for <math>&lt; 18</math>-year-old</li> </ul>
	Frequency	One unit every three months
Cervical Cancer Screening	Procedure and Diagnosis Code compatibility	Always allowed or Never allowed
	Demographic (age)	Units/ Period of time/ Age range



# Sample Policy Summary\*

## SUMMARY OF EMBLEMHEALTH AND CONNECTICARE POLICY AND COVERAGE CRITERIA

POLICY NUMBER
AHS-G2005

### Applicable CPT/HCPCS Procedure Codes:

CPT	Code Description
82306	Vitamin D, 25 hydroxy, includes fraction(s), if performed
82652	Vitamin D, 1, 25 dihydroxy, includes fraction(s), if performed
0038U	Vitamin D, 25 hydroxy D2 and D3, by LC-MS/MS, serum microsample, quantitative Proprietary test: Sensieva™ Droplet 25OH Vitamin D2/D3 Microvolume LC/MS Assay Lab/Manufacturer: InSource Diagnostics

### Policy Description:

Vitamin D is a precursor to steroid hormones and plays a key role in calcium absorption and mineral metabolism. Vitamin D promotes enterocyte differentiation and the intestinal absorption of calcium. Other effects include a lesser stimulation of intestinal phosphate absorption, suppression of parathyroid hormone (PTH) release, regulation of osteoblast function, osteoclast activation, and bone resorption (Pazirandeh & Burns, 2021).

Vitamin D is present in nature in two major forms. Ergocalciferol, or vitamin D2, is found in fatty fish (e.g., salmon and tuna) and egg yolks, although very few foods naturally contain significant amounts of vitamin D. Cholecalciferol, or vitamin D3, is synthesized in the skin via exposure to ultraviolet radiation present in sunlight. Some foods are also fortified with vitamin D, most notably milk and cereals (Sahota, 2014).

Major risk factors for vitamin D deficiency include inadequate sunlight exposure, inadequate dietary intake of vitamin D-containing foods, and malabsorption syndromes, such as Crohn's disease and celiac disease (Dedeoglu et al., 2014). "The risk of vitamin D deficiency differ[s] by age, sex, and race and ethnicity (Looker et al., 2011)."

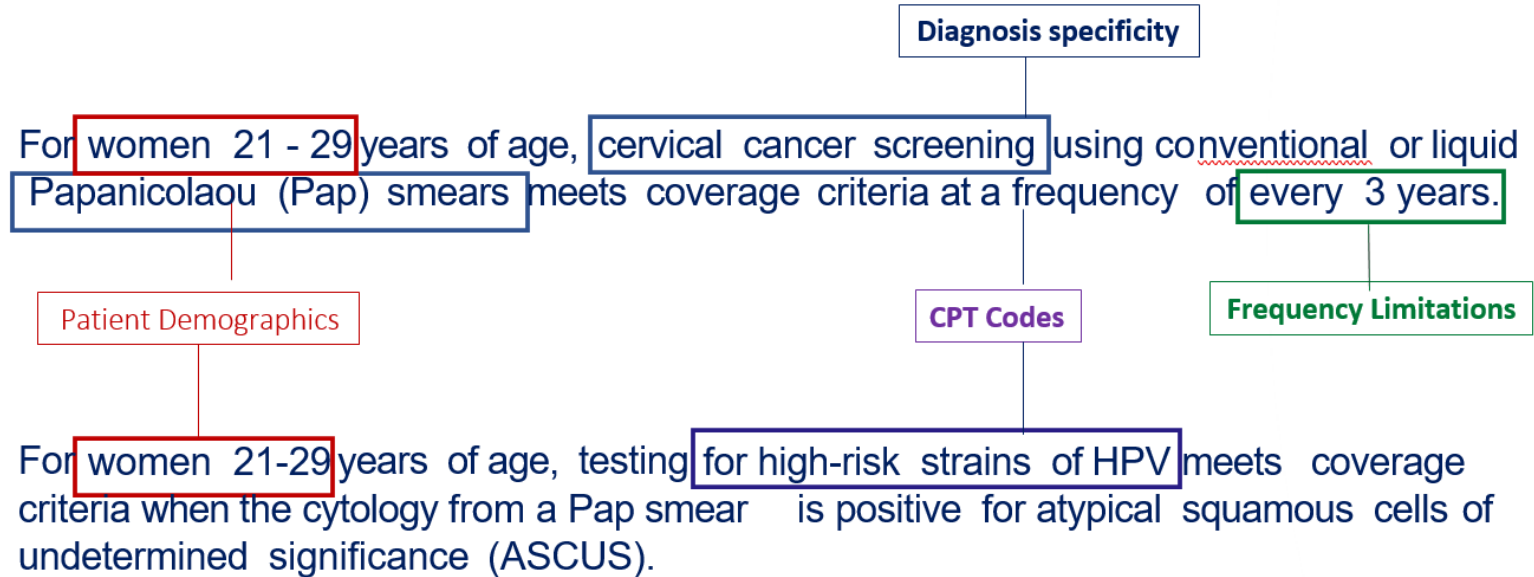
- 1) 25-hydroxyvitamin D serum testing **MEETS COVERAGE CRITERIA** in individuals with an underlying disease or condition which is specifically associated with vitamin D deficiency or decreased bone density (see Guideline 1 below).
- 2) Testing for D2 and D3 fractions of 25-hydroxyvitamin D **MEETS COVERAGE CRITERIA** as part of the total 25-hydroxyvitamin D analysis.
- 3) Repeat testing for serum 25-hydroxyvitamin D **MEETS COVERAGE CRITERIA** in individuals who have documented vitamin D deficiency, at least 12 weeks after initiation of vitamin D supplementation therapy.
  - a) Repeat testing for monitoring of supplementation therapy should not exceed 2 testing instances per year until the therapeutic goal is achieved.
  - b) Once therapeutic range has been reached, annual testing meets coverage criteria.
- 4) 1,25-dihydroxyvitamin D serum testing **MEETS COVERAGE CRITERIA** in the evaluation or treatment of conditions that are associated with defects in vitamin D metabolism (see Guideline 2 below).
- 5) The following testing **DOES NOT MEET COVERAGE CRITERIA:**
  - a) Measurement of serum 1,25-dihydroxyvitamin D to screen for vitamin D deficiency.
  - b) Routine screening for vitamin D deficiency with serum testing in asymptomatic individuals and/or during general encounters

**\*Note: Full policies can be found at the link provided on page 8.**



# Deconstructing Coverage Criteria

EXCERPT FROM CERVICAL CANCER SCREENING POLICY:



# Unit Threshold Exceeded

*An example of unit threshold exceeded is 86003, Allergen specific IgE; quantitative or semi-quantitative, crude allergen extract, each. Policy AHS-G2031, Allergen Testing, limits units for this code to 40 per year.*

## Example 1

Claim Details:

- Procedure Code: 86003.
- Billed Units: 45.

## Example 2

Claim Details:

- Procedure Code: 86003.
- Billed Units: 32.
- Member history shows 10 units approved from a prior DOS.

- Claims that exceed the maximum allowable units within a defined time period will be denied (e.g., within a specific date of service and/or over a duration of time).
- Refer to the policy for coverage criteria and unit allowances.
- Submit a corrected claim with allowable units.



# SUMMARY

- The goal of the Laboratory Benefit Management program is to implement a solution to support appropriate laboratory science and reduce overutilization.
- The Laboratory Benefit Management program:
  - Is centered on laboratory science.
  - Uses evidence-based policies that ensure the right test is ordered to inform the right care.
  - Promotes consistency of routine testing across all patients and places of service.
  - Supports education of network providers to increase policy adherence.
  - Improves patient quality, access, and affordability of lab care.
  - Enhances the patient health care experience.

