

New BlueCard Policies Affect Lab Test Claims

➤ Many local clinical labs will have less access to the 100 million members of Blue Cross plans

➤➤ **CEO SUMMARY:** *This new policy from the Blue Cross and Blue Shield Association (BCBSA) becomes effective on October 14, 2012. No longer can a local lab provide service to a member under the BlueCard program and be paid by the local plan in the region where the service was provided. Some regional BCBS plans have already implemented the new policy. In these regions, labs report significant difficulties in getting claims accepted. Further, some payers are sending the payment for lab tests directly to the patients.*

THERE'S BAD NEWS AHEAD for clinical laboratories now providing lab testing covered under the BlueCard program offered by the regional **Blue Cross and Blue Shield** plans located across the United States.

The BlueCard program allows a member from any regional BCBS, when traveling or living outside that region, to obtain healthcare from hospitals and physicians located in other states and regions. In turn, clinical laboratories have been able to submit claims to the Blue plan in the state where the specimen was processed. That claim was paid directly to the laboratory.

However, this policy on service and claims—that was long-established and successful for members and providers alike—comes to an end on October 14, 2012. That is the date when the **Blue Cross and Blue**

Shield Association (BCBSA) mandates that regional BCBS plans change how they reimburse for laboratory testing performed for patients who are accessing clinical care outside their home state or home region.

This change will have significant impact on the nation's local laboratories. That's because approximately 100 million Americans are insured by the regional BCBS plans and many participate in the BlueCard program. This is almost one-third of the population of the United States! Loss of access to these BCBS members will be a significant setback to most local laboratory organizations and hospital laboratory outreach programs.

The new mandate overturns a successful aspect of the BlueCard program that has operated for almost 50 years. During this time, local clinical laboratory organi-

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zations have generally had access to provide lab testing services to these patients under the BlueCard program and get paid in a long-established and reliable fashion.

Because six of the 38 regional BCBS plans have already implemented the new claims and reimbursement policy in advance of the October 14 date, the consequences of this change in payment policy can be seen. Clinical laboratories operating in those states and regions report that the new policy is triggering disruptions in how lab test claims are filed and reimbursed by certain BCBS plans.

Of equal significance is the fact that several of these regional Blues are ignoring the patient's assignment of payment to the provider and sending payment for out-of-network lab tests directly to patients. That is generating new problems, both for patients and for the laboratories which provided the laboratory testing services.

Providers, including clinical laboratories, are being told that each of the 38 plans are independent insurers and must be contracted with separately in order to obtain an in-network status for the adjudication of claims. Yet, in contrast to standard protocol for billing independent plans, providers billing out-of-network Blue plans are being asked to retain a cross reference of each Blue plan's regional map, so that claims may be directed to the plan in whose area the specimen was drawn as opposed to the Blue plan noted on the beneficiary's insurance card.

➤ **CCLA Sent Letter**

This situation has attracted the attention of major clinical lab industry associations across the nation. On January 23, 2012, the **California Clinical Laboratory Association (CCLA)** sent a letter to the BCBSA to express its concerns. CCLA requested interactive engagement with BCBSA and all stakeholders to develop a mutually satisfactory resolution.

For its part, in February, the **American Clinical Laboratory Association (ACLA)** prepared a draft of a letter to BCBSA that

laid out its perspectives on the problems already experienced by labs and patients in the early implementation of the revised BlueCard policies. Although that draft was circulated among a number of member laboratories, as of this date, it is believed that ACLA has not sent this letter to BCBSA.

➤ **Problem For Labs**

The problem for independent clinical laboratories was described on a blog published by **XIFIN, Inc.**, the revenue cycle management company based in San Diego, California. Posted on June 12, 2012, and titled "Who, if anyone, benefits from the dismantling of the BlueCard® program?", XIFIN wrote:

In May of 2010, the BCBS Association notified Blue Plans of a change to the BlueCard® program that would require ancillary claims to be filed to their local plans for independent clinical lab, DME/HME, and specialty pharmacy. For independent clinical labs the "local plan" was defined as the plan in whose service area the specimen was drawn as opposed to the service area in which the work was performed.

This policy change opens up a Pandora's Box of problems for patients, laboratories, benefits administrators, and the 38 Blue plans. The provider's home Blue plan historically forwarded the claim through the BlueCard program to the member's own Blue plan to adjudicate the claim, and the member's cost-sharing amount was calculated at the "in-network" rate based on the provider status of the performing laboratory and the plan to which the claim was submitted (i.e., the laboratory's "home plan").

With the elimination of the BlueCard program, if the specimen is not collected in the same plan region where the laboratory services are performed, the Blue plan for the state where the analysis and clinical assessment services are performed will no longer forward the claim to the appropriate plan...

Understanding How the New BCBSA Policy Changes How Labs Get Paid for BlueCard Tests

FOR MANY DECADES, THE BLUECARD PROGRAM allowed members of regional Blue Cross and Blue Shield (BCBS) health plans to travel almost anywhere in the United States and receive health care in that locality as an “in-network member.” Under existing BlueCard policies, it was easy for any local laboratory to provide services to these traveling BCBS members and be paid directly by the BCBS plan in their community.

However, the BCBS Association is about to change that long-standing policy in regards to clinical laboratory testing, DME/HME, and specialty pharmacy. Essentially, the new policy links site of service to where the laboratory test specimen was collected and requires the laboratory to bill that regional BCBS plan. Despite the fact that the member has BlueCard coverage, now the policy will be to reimburse the patient instead of the laboratory as an out-of-network service and possibly require the patient to pay higher out-of-pocket costs when using medical services outside his or her home BCBS region.

Current BlueCard Policy

- BCBS patient from Illinois goes out of state, has lab test performed in, say, Georgia.
- Specimen is collected in Georgia, lab test is performed in Alabama and the Alabama lab sends claim to its local BCBS regional plan in Alabama.
- Per BlueCard program, local BCBS calculates reimbursement at the “in-network” rate based on the provider status of the performing laboratory and the plan to which the claim was submitted (i.e., the laboratory’s “home plan”).
- Lab in Alabama which performed the test is reimbursed directly at “in-network” rates by Alabama BCBS.
- BCBS member has minimal out-of-pocket cost for using medical services away from his or her home region.
- Member’s BlueCard benefit provides him with “in-network” services in any region within the United States.

Revised BlueCard Policy (eff. 10-14-12)

- BCBS patient from Illinois travels out of state, has lab test specimens performed in, say, Georgia.
- If the specimen is collected in Georgia, but the lab test is performed in another state (say, Alabama, for instance), then the lab in Alabama cannot forward the claim to the BCBS plan in Alabama.
- Rather, the Alabama lab must retain a record of where the specimen was drawn;
- Alabama lab must submit the claim to the BCBS plan in Georgia, where the specimen was drawn.
- BCBS plan in the state where the specimen is drawn will issue reimbursement at the “out of network” rate.
- Patient will pay higher out-of-pocket costs for the lab test.
- Patient may get the lab test payment check from the BCBS plan. This requires the clinical lab to collect those funds directly from the patient.

The problems caused by this new mandate were discussed at the *Executive War College on Lab and Pathology Management* last May by Michael Snyder. He is Vice President Laboratory Services, **Medical Spend Management, LLC**, in Flemington,

New Jersey, and is knowledgeable about managed care contracting.

“Here’s how it works,” said Snyder. “Let’s say a clinical lab in New Jersey is contracting with **Horizon Blue Cross and Blue Shield of New Jersey**. If Horizon has a

member who vacations in Florida during the winter and that member needs lab work done, normally the member would use his or her BlueCard and be treated by a physician under contract to a Blues plan in Florida. The bill for any lab work performed from the specimen collected in Florida would be paid as if the consumer were in New Jersey as long as the lab provider was a participating provider in a BCBS plan.

"But, Blue Cross and Blue Shield of Florida has revised its policy for BlueCard claims administration with respect to lab services," Snyder said. "Therefore, if the rendering lab is outside of the BCBS-Florida network, even though the lab is a participating provider with BCBS in another market (for example, a lab in Tennessee that provides services to doctors in Florida), the patient's claim is treated as out-of-network.

► Changes To BlueCard Terms

"While this change in policy, by itself, represents a potential for additional out-of-pocket expense for the plan member, the problem is further compounded by the fact that not all BCBS plans are prepared for the policy change," Snyder explained. "And, not all BCBS plans are administering the policy in the same manner.

"It is entirely the right of the plan to make and execute policies with regard to benefit administration," he commented. "However, it is also the responsibility of the plan to administer those policies in a fair and equitable manner that protects the patient/member. The implementation of the new BlueCard policy with respect to lab services is confusing to providers and puts the patient in the middle with respect to claims payment."

At a minimum, lab administrators and pathologists in regions where snowbirds winter should take steps to understand the financial consequences of this new BlueCard policy.

TDR

—Joseph Burns

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Is Blue Cross Reneging On BlueCard Promise?

IT MAY BE A SIGN OF THE TIMES that even the Blue Cross and Blue Shield Association (BCBSA) is willing to alter a well-established value proposition of the BlueCard program it provides to its members and to the employers who purchase its health plan services.

In changing the terms of how ancillary providers are reimbursed as part of the BlueCard program, it appears that the new policy may require BlueCard holders to pay more out of pocket when they receive health-care services outside their home region. Here is the language from the BCBSA website (<http://www.bcbs.com/shop-for-health-insurance/coverage-home-and-away.html>):

BlueCard® Program

When you're a BlueSM member, you take your healthcare benefits with you—across the country and around the world. The BlueCard Program gives you access to doctors and hospitals almost everywhere, giving you the peace of mind that you'll be able to find the healthcare provider you need. Within the United States, you're covered whether you need care in urban or rural areas. Outside of the United States, you have access to doctors and hospitals in nearly 200 countries and territories around the world through the BlueCard Worldwide® Program.

Take Charge of Your Health Wherever You Are

BlueCard allows you to choose from PPO or traditional/indemnity service. After you receive care, you should:

- *Not have to complete any claim forms.*
- *Not have to pay upfront for medical services, except for the usual out-of-pocket expenses (non-covered services, deductible, co-payment and coinsurance).*
- *Receive an explanation of benefits from your Blue plan.*