

## Payment Policy | Hospital Laboratory Pass-Through Billing



**EFFECTIVE DATE:** 02|01|2020

**POLICY LAST UPDATED:** 08|03|2022

### OVERVIEW

Blue Cross & Blue Shield of Rhode Island (BCBSRI) does not permit hospital pass-through billing and does not allow for reimbursement of laboratory services when it is determined that pass-through billing has occurred.

BCBSRI considers pass-through billing to occur when a hospital laboratory sends a portion of or an entire laboratory specimen/sample to another hospital, physician and/or independent laboratory for testing, (“a reference lab”); and that reference lab performs all or a portion of the initial testing ordered.

Please note that BCBSRI also follows any Medicare guidelines related to pass-through and/or client billing as well as other guidelines related to laboratory services that are not specifically referenced in this policy.

If a hospital has any questions related to the applicability of this policy to its past, present, or future practices, BCBSRI requests that the hospital contact its Provider Relations Representative so that BCBSRI is able to obtain all the specific information related to the hospital’s practice so that BCBSRI may determine its adherence to this policy.

### MEDICAL CRITERIA

Not applicable

### PRIOR AUTHORIZATION

Not applicable

### POLICY STATEMENT

#### Medicare Advantage Plans and Commercial Products

Pass-through billing shall not be billed to Blue Cross & Blue Shield of Rhode Island (BCBSRI) or to a BCBSRI Member by the hospital. Claims for services determined by BCBSRI to be performed through pass-through billing will be denied as a provider liability and not reimbursable by BCBSRI.

In order to submit a claim to BCBSRI for outpatient laboratory services, the recipient of the service (the Member) must be a registered patient of the hospital (which includes patients obtaining services from the hospital’s outreach program/a hospital owned and operated draw site) for such laboratory services, and the hospital must retain all medical and other administrative records for that encounter/service. Medical records shall include, but shall not be limited to, the order from the physician or healthcare practitioner as well as all other documentation necessary to substantiate the services provided. The hospital must be able to attest to the medical necessity of the testing and/or treatment for the services billed, which are required to be performed using laboratory equipment located in the hospital and owned and/or maintained by the hospital on its campus. If a hospital has a management agreement with another entity to coordinate, manage and/or perform any or all of its laboratory work, any such arrangement must be disclosed to BCBSRI and approved by BCBSRI prior to the hospital billing for such services.

When the patient is present at the hospital or presents at a hospital outreach site for a lab draw, the hospital may bill for the laboratory services that are performed using the hospital owned and operated lab equipment located on its campus. The hospital may also bill for the lab services when the specimen(s) are processed by a reference lab/off-site laboratory in situations where the hospital is performing the vast majority of the

ordered testing on the specimen/sample but the hospital does not have the necessary equipment and/or expertise to perform specialized testing (e.g., genetic testing).

A hospital billing for any routine testing on blood, tissue, urine or any other substance (e.g., hair) performed by another hospital, physician and/or laboratory is strictly prohibited. It is also strictly prohibited for a hospital to receive a specimen from a community provider, an independent laboratory, another hospital or the hospital itself and send the vast majority of or the entire specimen to another laboratory for testing/processing. In those instances, BCBSRI requires the laboratory that is performing the testing/processing of the specimen to bill BCBSRI directly using a CMS 1500 claim form unless otherwise approved by BCBSRI.

Hospitals are strictly prohibited from receiving and referring out laboratory services to any non-participating provider with BCBSRI if the services do not fall under an exception in this policy that has been agreed to in writing by BCBSRI and that allows for the hospital to bill for such services.

### **COVERAGE**

Benefits may vary between groups and contracts. Please refer to the appropriate Benefit Booklet, Evidence of Coverage or Subscriber Agreement for applicable laboratory benefits/coverage.

### **BACKGROUND**

Not applicable

### **CODING**

Not applicable

### **RELATED POLICIES**

Not applicable

### **PUBLISHED**

Provider Update, October 2022

Provider Update, December 2019

### **REFERENCES**

Not applicable

**CLICK THE ENVELOPE ICON BELOW TO SUBMIT COMMENTS**

This medical policy is made available to you for informational purposes only. It is not a guarantee of payment or a substitute for your medical judgment in the treatment of your patients. Benefits and eligibility are determined by the member's subscriber agreement or member certificate and/or the employer agreement, and those documents will supersede the provisions of this medical policy. For information on member-specific benefits, call the provider call center. If you provide services to a member which are determined to not be medically necessary (or in some cases medically necessary services which are non-covered benefits), you may not charge the member for the services unless you have informed the member and they have agreed in writing in advance to continue with the treatment at their own expense. Please refer to your participation agreement(s) for the applicable provisions. This policy is current at the time of publication; however, medical practices, technology, and knowledge are constantly changing. BCBSRI reserves the right to review and revise this policy for any reason and at any time, with or without notice. Blue Cross & Blue Shield of Rhode Island is an independent licensee of the Blue Cross and Blue Shield Association.

