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Vachette Monthly, May 2021

A path forward as Cigna ends PC clinical pathology payments

Column by Vachette President of RCM Consulting Mick Raich:

Recently, Cigna announced it will longer going to pay for the professional component of clinical pathology (PCCP) beginning July 11. This comes as no surprise; we have seen this coming in recent years as UnitedHealthcare, Humana and Aetna have made similar moves. This trend is not going back.

What will this change mean going forward? First, we have to consider the fact there are several states where Blue Cross still pays PCCP. If your group is in one of these states, like Texas, you should be working on your revenue strategy going forward. Second, recognize there will be a time when Medicaid does not pay for these services going forward (Medicaid pays for PCCP in several states.) Again, if you're in one of these states you should build a revenue model that accounts for PCCP payments being eliminated in the next five years.

It is also time to review your current Cigna contract. Many of the older contracts have a direct payment tied to PCCP. These contracts will need to be updated or non-payment may constitute a breach. If you can find your contract, it is imperative to review this document to make sure you have the correct terms going forward.

Another available option is to notify the C-suite at your hospital. Informing them of this pay cut could create leverage you can use for future negotiations. Most importantly, if your Part A/Medical Director contract has a floor for contracted managed care relationships, you will need to raise that point as negotiations move forward.

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Recent audit and coding news

- CMS has announced a systems issues that occurred from April 8-15 caused Medicare to not send Part A and B crossover claims to some supplemental payers. The issue has now been corrected, however, electronic claims finalized through April 25 and paper claims finalized through May 11 may be impacted. CMS recommends that if this issue affected your patients' supplemental payer, bill them using your normal procedures (if Medicare claims weren't crossed over).
- In one recent audit, we found 30% of the cases reviewed were affected by filing delays, primarily caused by the coding team. While most payers are continuing to suspend timely filing limits amid the Covid-19 PHE, billing and coding teams need to prepare for the day when these issues will again lead to denied claims and lost revenue.

Lighthouse Lab Services Acquires Vachette Pathology

(Charlotte, NC): At the beginning of April, North Carolina-based Lighthouse Lab Services is proud to announce its acquisition of Vachette Pathology of Sylvania, Ohio.

Lighthouse Lab Services adds new expertise and services for their clients in the clinical laboratory industry.

The acquisition helps Lighthouse expand on its position as the nation's leading laboratory consulting firm by adding Vachette's extensive expertise around laboratory revenue cycle consulting and auditing. The experienced team at Vachette will provide Lighthouse with business intelligence and a deep understanding of billing and coding compliance, revenue cycle management best practices, and payor management issues, all of which are important areas of concern for laboratory owners and decision-makers. With the addition of Vachette, Lighthouse will be able to offer deeper insights and services to their clients to help them start, run, and grow quality laboratory operations.

When asked about the acquisition, Lighthouse President Jon Harol said, "Lighthouse's merger with Vachette adds an amazing team with deep expertise in the laboratory revenue cycle management consulting space. This thorough understanding of reimbursement trends and pitfalls will allow Lighthouse to better advise clients on opportunities for effective revenue cycle management with an eye towards compliance and best practices. We hope that Vachette's RCM auditing services will be in high demand and add a lot of value in the coming months as many new players have entered the laboratory testing market this past year to take advantage of COVID-19 testing opportunities and need to stay on top of these areas."

Echoing this sentiment, Vachette Founder and CEO, Mick Raich, said, "I am excited about joining with Lighthouse Lab Services. There is a great synergy between the companies, and this merger will make both companies better. We are proud to join forces with the industry's leading consulting firm."

With the combined expertise of both organizations, Lighthouse has continued to expand its considerable capabilities across the laboratory industry.

For any questions, please contact Lighthouse Lab Services.

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About Lighthouse Lab Services

Lighthouse Lab Services is a healthcare consulting and management firm that offers end-to-end technical and business services to clinical, medical, and industrial laboratories across the country. Service offerings include assistance with licensure and compliance with CLIA, COLA, CAP, and other laboratory quality and accreditation requirements, scientific method development and validation for a variety of applications ranging from toxicology to infectious disease, as well as operational solutions.

The company boasts a deep bench of Ph.D. and masters-level analytical chemists, pharmacologists, toxicologists, and laboratory scientists, as well as experienced teams specializing in executive recruiting and staffing and supply chain and logistics management. Lighthouse is headquartered in Charlotte, NC, learn more at www.lighthouselabservices.com.

Upcoming webinar: The B-S of AR

Set your calendars for our next webinar on May 18 at 2 p.m., ET, to hear Dr. Stephen Ruby, MD, MBA, discuss the importance of having a buy/sell agreement in place for your lab or practice and how your accounts receivable factors in to that discussion. Vachette VP of RCM Strategy and Growth Josh Yelen, CPFA, MAccy, and VP of Client Services Ann Lambrix will also cover how to effectively collect outstanding AR and report it on your financial statements. Check our

With the **suspension of the 2% Medicare sequester for the remainder of 2021** now official, sequestration cuts will not resume until Jan. 1, 2022

Starting June 1, UHC will deny multiplex PCR respiratory viral panels of six or more targets, bringing the payer in line with the current CMS LCD.

CAP opposes UHC DDP program

Last month, the College of American Pathologists (CAP) officially came out in opposition of UHC's Designated Diagnostic Provider program, which is currently set to launch July 1. CAP stated its opposition primarily concerns consumers who may be affected by surprise bills when they use an in-network provider who is not part of the DDP program.

At Vachette, we specialize in consulting and auditing for labs and pathology practices

We have been working with hospitals, laboratories, and hospital-based groups for more than 16 years.

Visit vachettepathology.com, call 517-486-4262, or contact Mick Raich, CEO, at 517-403-0763. Our experience and expertise are second to none!

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UHC placing pre-pay review on some Covid claims

Multiple labs Vachette works with have recently received pre-payment records requests from UnitedHealthcare to support their Covid-19 testing. While UHC isn't denying these tests for improper coding, the payments they've put on hold amount to nearly \$1 million in some instances.

Despite attempts to provide documentation, the payer has continued to hold these charges by claiming they haven't received the paperwork or need additional records. When reaching out to Optum directly, our client was only informed that the review was, "based on the billing pattern submitted to insurance, including lab orders and the number or frequency performed for a patient."

While it's not surprising to see UHC use this tactic, it still feels like it's going against the intent of the CARES Act and recent Biden Executive Order to broadly cover Covid testing for individual clinical assessment for the duration of the Public Health Emergency.

UHC Lab Test Registry to manage genetic, molecular prior authorizations beginning June 1

Beginning June 1, UnitedHealthcare (UHC) will manage its Genetic and Molecular Lab Testing Prior Authorization program through the UHC Lab Test Registry, according to a provider update issued April 13. As part of this transition, the program will discontinue use of the Beacon LBS Test Registry.

UHC said it intends to transfer “genetic and molecular lab test information” currently stored in the Beacon LBS Registry to its own test registry. As part of this transition, UHC is asking labs to confirm their test information in the UHC Test Registry prior to June 1.

Labs that do not have an existing account with the UHC Lab Test Registry will need to register to review their information.

Originally slated to go into effect, Oct. 1, 2020, widespread implementation of UHC’s Lab Test Registry has been delayed multiple times amid industry pushback and the Covid-19 Public Health Emergency (PHE). The program requires freestanding and outpatient hospital lab claims to include unique test codes for in-scope lab test services. The codes will serve as the lab’s unique identifier that a physician would use to order a test (aka “test code, “order code, or “test identifier”). Claims without the codes may be denied.

Labs must now have their tests registered with UHC by Dec. 1, 2021. The registry officially launches Jan. 1, 2022.

AP/CP pathologist sought by OSF Healthcare

- OSF Healthcare is seeking a Board Certified Anatomic & Clinical Pathologist. Hematopathology training preferred.
- Join two other pathologists and one pathologist assistant in a hospital employed, hospital based practice with a friendly work atmosphere and administrative support staff.
- Opportunity exists for a mix of cases, including Surgical Pathology, Non-gynecologic cytology (CT, US, EUS, EBUS), Bone marrow biopsy.
- Enjoy a strong referral base from OSF Medical Group primary care physicians in the area.
- Academic appointment is available with the UIC College of Medicine, Rockford, Illinois.
- **CLICK HERE FOR MORE INFO**

Surgical pathologist sought by private practice group

Advanced Diagnostic Pathology Associates, a physician-owned private practice group of four pathologists, is seeking a Surgical Pathologist with strong general pathology skills, the ability to handle high case volumes and excellent communication skills to join their rapidly expanding practice. The ideal candidates would have special interest in Hematopathology, Dermatopathology and/or GI/Liver Pathology. Practicing pathologists, as well as current fellows are encouraged to apply.

This position is at Meadville Medical Center, but this candidate may also rotate to the two other facilities staffed by the practice group.

Meadville currently processes approximately 6000 surgical cases, 500 cytology and 30 bone marrow cases per year and is actively growing in volume and scope of cases. There is a moderate frozen section and onsite cytology service. Meadville is located 40-minutes south of Erie, PA and 1-hour north of Pittsburgh. -- **CLICK HERE FOR MORE INFO**



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Quick Covid news

- Remember the drastic cuts we initially saw in the Medicare 2021 PFS that were reduced at the last minute by the December Covid relief package? Did you know that **UHC is currently paying the initial rates until they have their fee schedules updated with the new “offset” rates?**

Check your contracts – in many instances they have 90 days to update their fee schedules with the new rates. And apparently, they won't be reprocessing either!

- While the recent Biden Executive Order reaffirms Covid testing performed for individual assessment should always be covered without cost sharing, **it still creates a gray area surrounding proper diagnosis coding to attach to your claims for these asymptomatic individuals.** While the most appropriate code in most instances would be Z20.822 for suspected exposure, this is likely to create some confusion for payers who have not yet updated their policies to disregard medical necessity for individual assessment.

Understanding how to bill for Surveillance Testing

Labs planning to perform regular surveillance testing should understand that commercial payers and CMS are not necessarily required to cover it. While the recent Feb. 26 Executive Order from President Biden stipulated all COVID-19 tests performed for individual diagnosis must be covered by payers without cost-sharing, surveillance testing, unfortunately, falls into a gray area that can sometimes necessitate establishing client-bill arrangements.

According to the Feb. 26 FAQs About Family First Coronavirus Response Act (FFCRA) and CARES Act, “... plans and issuers are not required to provide coverage of testing such as for public health surveillance or employment purposes. But there is also no prohibition or limitation on plans and issuers providing coverage for such tests. Plans and issuers are encouraged to ensure communications about the circumstances in which testing is covered are clear.”

In short, while insurers may choose to cover regular surveillance testing, they are under no obligation to do so unless the test can be supported by medical necessity. That's why Vachette recommends labs to be prepared to establish direct-billing arrangements with clients ordering surveillance tests.

“The most recent CMS guidance does not give cart-blanc coverage for all screening tests,” says Ann Lambrix, Vice President of Client Services for Vachette. “Screening tests will still have to be backed by medical necessity with documented reasoning in order to be covered by most payers.”

-- READ MORE ONLINE

Cigna to end PC CP payments

Cigna, one of the last remaining payers that reimburses the professional component of clinical pathology, will look to officially end that practice this summer, according to an update posted April 12.

In the update to its Modifier 26 Professional Component Policy, Cigna states codes inappropriately billed with a 26 modifier will be denied beginning July 11, 2021. Further reading appears to show this will include the PC for clinical pathology claims.

The policy officials states the following:

“Cigna provides separate reimbursement for the professional component of the global fee at the fee schedule or other allowed amount when modifier 26 is appended correctly as determined by the Professional Component/Technical Component (PC/TC) indicators in the CMS Payment Policies provided in the National Physician Fee Schedule Relative Value File (NPFSRVF).”

The file lists all CPT codes and the PCTC indicator shows the appropriate modifiers for each code. Clinical pathology codes have an indicator of 9, meaning the concept of a technical or professional component is not recognized for these services.

Conversely, AP codes have a PCTC indicator of 1, meaning both the technical and professional components of these tests may be recognized distinctly.

Below is further instruction Cigna provided regarding appropriate use of a 26 modifier:

Correct Use of Modifier 26:

- Modifier 26 is appended when a physician provides the professional component only of the global fee and when the physician prepares a written interpretation and report.
- Modifier 26 should only be appended to codes which are listed in the CMS NPFSRVF as modifier 26 appropriate.

Incorrect Use of Modifier 26:

- Modifier 26 is not appended when a facility/institution/physician owns the equipment, purchases the supplies, employs the technologist to perform the tests and employs the physician to interpret the tests. These features represent the global fee.
- Modifier 26 is not appended when a procedure does not have a technical component. Example: CPT® code 76140-Consultation on X-ray examination made elsewhere, written report. Modifier 26 would not be appended since the description of the code already indicates it is the professional component.
- Modifier 26 should not be appended to any code which is not listed in the CMS NPFSRVF as modifier 26 appropriate.

Please reach out to us directly at 517-486-4262 if you have questions regarding this change in reimbursement.