Laboratory Benefit Management Program

Frequently Asked Questions

PRESBYTERIAN

Presbyterian Health Plan, Inc.
Presbyterian Insurance Company, Inc.

Presbyterian is launching a new Laboratory Benefit Management (LBM) program, effective July 1, 2024, with the goal of providing high-quality healthcare at the most affordable costs. To assist providers in navigating this change, Presbyterian has prepared this Frequently Asked Questions document.

General Questions

1 Why is Presbyterian partnering with Avalon for this program?

Presbyterian is partnering with Avalon Healthcare Solutions, a company that specializes in LBM. Avalon uses software to automate adherence to laboratory policies in real time. This helps to ensure that diagnostic laboratory tests are necessary, reasonable and covered by the health plan.

2 What is the benefit for Presbyterian?

Avalon's LBM promotes appropriate testing, which helps to drive high-quality and cost-effective medical care. The new policies are based on the latest science that follows clinically accepted, peer-reviewed guidelines for lab services. The program goal is to deliver the right tests at the right time to members.

3 When are claims edits applied?

They are applied post-service and pre-payment. In other words, members are not denied access to the care they need. The aim is to make sure ordered lab tests are appropriate for the patient's diagnosis, age and other factors.

4 What are common reasons for a lab test to be denied?

When a test is deemed inappropriate for the age and gender of the patient, it may be denied. Likewise, if the test does not match criteria for the diagnosis, it may be denied. There is also a limit to the allowable frequency of tests per diagnosis.

5 Are all diagnoses on a claim reviewed?

Yes, all diagnoses on a claim are reviewed.

6 What places of service are included?

Routine testing management applies to physician offices, outpatient hospital settings and independent laboratories. It does not apply to emergency room, hospital observation or inpatient hospital settings.

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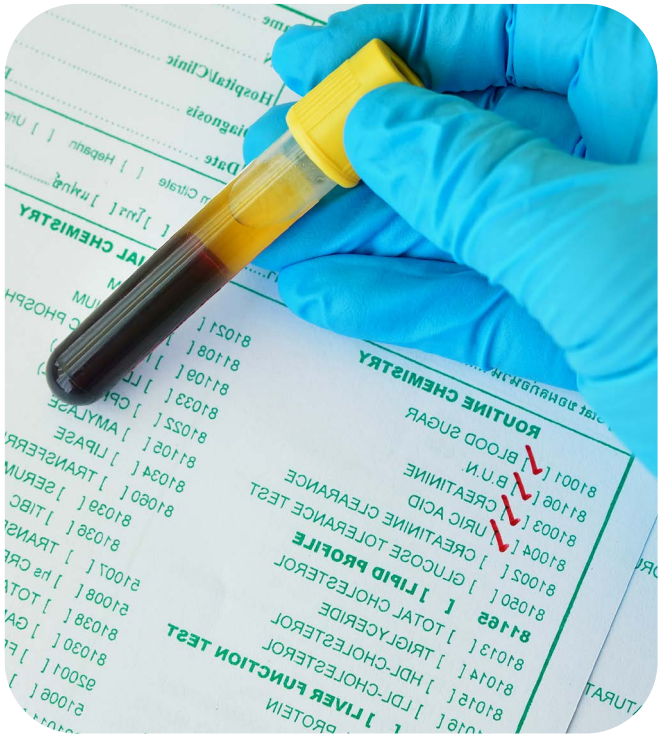
Policy Administration Questions

1 Are these Avalon or Presbyterian policies?

The lab policies are Presbyterian-adopted policies. Presbyterian is assisted by Avalon's independent Clinical Advisory Board of recognized experts in laboratory science.



2 Where can I find these laboratory policies?

In Appendix A of the Administrative Claims Edits (ACE) Guide, you can find links to all LBM laboratory policies, listed alphabetically. The ACE Guide may be viewed here.

3 What types of policy rules are included in LBM?

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

4 What is the process for creating and approving lab policies?

The process starts with identifying the need for a new policy, which may come from sources such as health plan utilization data, position statements from professional medical societies, and publications of evidence-based healthcare research.

The draft policy describes the clinical condition/lab test being addressed (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 considered appropriate in the form of medical necessity criteria (Indications/Limitations of Coverage).

After the draft policy is created, it is presented to the Avalon Clinical Advisory Board. Once approved from the scientific, evidence-based standpoint, the policy is then presented to Presbyterian for consideration.