

Memorandum

To: Gold Coast Health Plan Providers

From: Steve Peiser, Senior Director of Network Management

Re: **Preferred Laboratory Provider**

Date: January 3, 2020

Effective February 1, Quest Diagnostics will be the preferred laboratory provider for Gold Coast Health Plan (GCHP). GCHP has entered into an exclusive capitated payment arrangement with Quest Diagnostics.

GCHP is taking this initiative because the Plan has experienced significant growth in laboratory expenditures over the past year. This trend is not sustainable. GCHP also has an obligation to keep the cost of care in check. Quest Diagnostics offered GCHP significantly lower rates for lab services under a capitated arrangement compared to what the Plan currently pays. Given rate pressures and GCHP's obligation to reduce costs wherever possible under state contract, this is an appropriate step to take without negatively impacting patient care.

What this means to you: Please refer GCHP members to Quest Diagnostics for all laboratory services. You must request prior authorization when there is a medical need to refer a member to a nonparticipating Quest Diagnostics laboratory. Emergencies and services exempted by state or federal regulations do not require prior authorization.

- Providers are encouraged to perform venipuncture in their offices and then contact Quest Diagnostics to arrange for pick-up.
- Except for the exclusions noted below, providers should not send GCHP members to hospital outpatient laboratories or other non-Quest Diagnostics laboratories for diagnostic testing. Failure to obtain prior authorization to refer a GCHP member to a non-participating Quest Diagnostics laboratory when a medical need arises will result in the provider being financially responsible for the referral. There will be no retroactive authorizations issued (unless GCHP determines otherwise). Requests for authorizations should be submitted to GCHP's Health Services Department.
- For all regular (non-excluded) clinical laboratory services, no referral is required. Only a prescription or lab order form from the requesting provider is needed.
- The ordering provider is responsible for including all demographic information and applicable CPT codes when submitting laboratory testing request forms. This information is important for quality and Healthcare Effectiveness Data and Information Set (HEDIS®) /

Managed Care Accountability Set (MCAS) reporting purposes. A provider's failure to submit accurate information may result in the order being denied. Repeated non-compliance in this regard may result in a corrective action plan and a potential financial penalty for the provider.

- GCHP requires that pre-admission laboratory testing be completed by the primary care provider (PCP) or specialist and that the specimens are sent to Quest Diagnostics for testing prior to surgery. In the remote case that pre-operative diagnostic testing cannot be completed by the PCP or specialists prior to surgery, the test may be performed at the hospital or facility where the procedure will take place and will require an authorization.
- **STAT labs are to be used only for urgent problems.** The ordering provider may give the member a prescription form or lab order form to present to the participating Quest Diagnostics facility. STAT lab services are defined as those that require completion and reporting of results within four hours of receipt of the specimen.
- **Genetic testing:** Genetic tests within the CPT code range of 81105-81595 are carved out of the capitation rates and will be paid separately on a reduced fee-for-service basis by the Plan. GCHP requires that all genetic testing must be authorized by the Plan before the test can be ordered. Failure to obtain prior authorization for genetic studies may result in a provider being financially responsible for payment of the study. Under this arrangement, the Plan requires that all genetic testing specimens be sent to Quest Diagnostics for testing. In the event a genetic study cannot be performed by Quest Diagnostics, GCHP will need to be notified by the provider and the provider must obtain prior authorization for such a referral.

Exclusions

This arrangement does not apply to laboratory testing in the following circumstances:

- Inpatient hospital services.
- Outpatient dialysis testing.
- Outpatient chemotherapy testing.
- Outpatient radiation therapy testing.
- Other outpatient infusion therapies requiring testing prior to infusion.
- Outpatient ambulatory surgery testing requiring post-surgical labs prior to discharge.
- Emergency room services where labs are ordered.
- Observation services.
- Skilled nursing facilities, where labs are required on an immediate basis.
- Services provided by the Ventura County Department of Public Health.
- Any sensitive services (e.g., STD and HIV testing) performed by any willing Medi-Cal certified provider.

Laboratory testing within these facilities will be paid at the current contract rate. Prior authorization for lab testing in the areas referenced above will not be required.

Delegated Providers

Delegated capitated providers including Federally Qualified Health Centers (FQHC), Rural Health Clinics (RHC) and independent providers who are under a capitated primary care and/or specialist

services arrangement may already have an existing preferred laboratory services arrangement with Quest Diagnostics or another laboratory. **Clinic and PCP offices that are capitated to another laboratory other than Quest Diagnostics must contact GCHP by January 15 if you choose to remain with your current laboratory provider.**

If you select Quest Diagnostics as your capitated outpatient laboratory provider, GCHP strongly suggests establishing a preferred electronic interface with Quest Diagnostics. Should a delegated provider wish to change their capitated outpatient laboratory provider to Quest Diagnostics, please contact Steve Peiser, GCHP senior director of network management, by January 15 at 1-805-437-5528 or speiser@goldchp.org.

GCHP's arrangement with Quest Diagnostics will not change a delegated provider's responsibility for the referral, performance and financial responsibility of laboratory services for GCHP members assigned to the delegated provider. GCHP's arrangement with Quest Diagnostics is not intended to shift the financial responsibility for lab services from the delegated provider to GCHP. However, such a change may serve to modify a delegated provider's current capitation payment arrangement with Quest Diagnostics. Applicable clinics and providers should contact Quest Diagnostics for additional information.

About Quest Diagnostics

Quest Diagnostics offers comprehensive clinical and specialty services throughout Ventura County. They provide convenient and easily accessible services for Plan members six days a week, with extended hours on weekdays, and weekend hours. Quest Diagnostics also offers local patient service centers, online and mobile scheduling, resource information, and more. For providers, Quest Diagnostics offers online and mobile test ordering and on-demand lab reports, order management, and tracking. Quest Diagnostics also will share lab results data with GCHP to help with case management, disease management, early case findings and quality improvement programs. The Plan reports lab results to state and federal agencies in compliance with contractual obligations. In the unlikely event that an elective lab is required on a Sunday or holiday when Quest Diagnostic centers are closed, such a lab referral would be considered acceptable to go to another non-Quest Diagnostics provider and authorization will not be required.

Education and Training

Quest Diagnostics will work closely with GCHP and assist in contacting provider offices / facilities to initiate provider education and training under this program. Quest Diagnostics will provide lab order forms and specimen materials for your use and convenience.

Providers can find the closest Quest Diagnostics location by calling Quest Diagnostics at 1-866-697-8378 or visiting the Quest Diagnostics web portal [here](#).

If you have questions or need assistance, contact your GCHP Provider Relations representative or e-mail Provider Relations at ProviderRelations@goldchp.org.

Frequently Asked Questions

Why is GCHP making this change?

GCHP has experienced double-digit growth in laboratory expenditures over the past year – greater than 25% growth. This trend is not sustainable. In addition, the Plan has an obligation to keep the cost of care in check, especially as a publicly funded Medi-Cal program. These lab changes are being made in response to these factors.

When does this program go into effect?

The Quest lab program will begin February 1, meaning providers at this time should be sending all relevant labs to Quest Diagnostics.

Can we still perform certain lab tests ourselves?

Yes. Outpatient lab testing for members covered by GCHP should be referred to Quest Diagnostics with the following limited exceptions:

- Outpatient dialysis testing.
- Outpatient chemotherapy testing.
- Outpatient radiation therapy testing.
- Outpatient infusion therapies requiring testing prior to infusion.
- Outpatient ambulatory surgery testing requiring post-surgical labs.
- Emergency room services where labs are ordered.
- Skilled nursing facilities, where labs are required on an immediate basis, otherwise labs should be sent to Quest Diagnostics.
- Ventura County Department of Public Health.
- Any sensitive services (e.g., STD and HIV testing) performed by any willing Medi-Cal certified provider.

How is inpatient lab affected by this change?

Inpatient lab services are not affected by this program.

Will I still get paid for the specimen collection?

Yes. Specimen collection will be reimbursed at current contracted levels that are performed in the office setting. The specimen collection codes are 99000 and 36415. For delegated capitated providers, specimen collection is covered under the capitation. For non-capitated providers, GCHP will reimburse you for specimen collection and handling at your current contract rates.

How quickly will Quest Diagnostics provide lab results?

Quest Diagnostics will deliver 97% of lab results within 24 hours. Based on their experience with similar efforts, 80% of results are ready by 8 a.m. the next morning.

Will courier services be provided in both rural and urban areas?

Yes. Quest Diagnostics schedules their own couriers to pick up specimens at a provider's office – free of charge – based on the time preferred by the ordering provider. This includes both rural and urban pick up.

Is there a hotline for physicians' offices to get answers to questions and/or report problems / concerns (slow performance / nonperformance, quality concerns, etc.)?

Yes. Providers may contact Quest Diagnostics Support 24 hours a day, seven days a week to report problems at 1-866-MY-QUEST (1-866-697-8378) – a comprehensive physician and patient service line. Providers may also contact GCHP provider service lines or provider field representatives to report problems and concerns with Quest Diagnostics.

How will Out-Of-Network / Out-Of-State services be handled?

Claims will be paid as long as an Out-Of-Network authorization is obtained.

How will Third Party Liability claims be handled?

Third Party Liability (TPL) claims will be excluded from the Quest Diagnostics program.

Are dual eligible members included in this program?

Dual eligible members will be excluded from the Quest Diagnostics program.

How will dialysis clinics be handled?

Outpatient dialysis clinics will be excluded from the Quest Diagnostics program.

Will this change or add services to the exclusion list?

The exclusion list details the lab services that are not required to be sent to Quest Diagnostics. GCHP created the exclusion list to include tests that are time sensitive, including the emergency room (ER) setting, and/or for certain other services. As a reminder, the intent of the categorical exclusions is to exclude lab testing that requires near immediate results or are not otherwise clinically appropriate to send to Quest Diagnostics for testing. All other outpatient labs performed on behalf of GCHP members should be sent to Quest Diagnostics for processing. Going forward, GCHP does not expect to grow the exclusion list significantly and will review the list annually.

What is the process for obtaining STAT labs? Will physicians be allowed to send tests to a local lab / hospital?

Only under medically necessary conditions will physicians be able to order a STAT lab or refer a GCHP member to the hospital outpatient laboratory for services. In such instances, these services must be prior approved. STAT lab services are defined as those that require completion and reporting of results within four hours of receipt of the specimen.

It is the intent of this laboratory services capitation arrangement to redirect elective labs currently performed in the hospital outpatient setting to Quest Diagnostics for services.

How are labs on the exclusion list paid?

Laboratory services required in connection with those services identified on the exclusion list will be paid at the current contracted rate. If a lab test is on the exclusion list, the provider would bill as normal and be paid at the contracted rate. If the lab is not on the exclusion list or an excluded service category, then the lab should go to Quest Diagnostics for processing as a capitated covered service under the Plan's contract with Quest Diagnostics.

How are labs performed in the emergency room paid?

Lab tests performed in the emergency room are paid at the current contracted rate.