



KERN HEALTH SYSTEMS POLICY AND PROCEDURES			
Policy Title	Laboratory Guidelines and Restrictions	Policy #	6.18-P
Policy Owner	Claims	Original Effective Date	06/2001
Revision Effective Date	06/21/2025	Approval Date	08/01/2025
Line of Business	<input checked="" type="checkbox"/> Medi-Cal <input type="checkbox"/> Medicare <input type="checkbox"/> Corporate		

I. PURPOSE

To establish claims handling for laboratory claim submissions.

II. POLICY

All laboratory services must be billed by the provider using the Health Care Finance Administration (HCFA) 1500 or Uniform Billing (UB04) form and the appropriate Current Procedural Terminology/Health Care Procedure Coding System (CPT/HCPCS) codes and modifiers in accordance with the guidelines and restrictions set forth in this policy and procedure.

III. DEFINITIONS

TERMS	DEFINITIONS
N/A	

IV. PROCEDURES

A. BILLING PREPARATION AND SUBMISSION

Professional services must be submitted on a complete Centers for Medicare and Medicaid Services (CMS) 1500 form; while hospital or facility laboratory charges should use a UB04 form to bill for services provided. Applicable American Medical Association Current Procedural Terminology/Health Care Procedure Coding System (CPT/HCPCS) codes, including modifiers, should be used to properly identify the professional components, technical components, and global services. Modifier 26 is required for professional only components, and modifier TC is required for technical only components. If the claim is submitted with no modifier, it is considered a global service, and the provider is indicating they did the complete service, professional and technical.

B. REFERRING PHYSICIAN

The referring physician is required on all lab claim submissions.

C. LAB PANELS

Multiple services provided as a panel must be represented by the appropriate CPT code for the panel. All services included in the panel must not be billed separately or unbundled. Lab panels that are billed with unbundled charges are denied. Compensation for laboratory tests that are included in the respective current CPT panel will be reimbursed at the corresponding Kern Health Systems (KHS) panel reimbursement rates. However, if the number of test performed are less than the required number of tests for the panel codes but meets the following number of test limits per panel, the reimbursements will likewise be the same level as the corresponding panel reimbursement rates. The CPT code for the individual laboratory test in these panels should be billed separately unless all components of the panel are performed. When all the panel components are performed, the CPT panel code should be billed. Individual laboratory tests that do not fall under these guidelines should be billed with the appropriate CPT code and will be reimbursed separately.

D. UNFAIR BILLING PATTERNS

A demonstrable and unjust pattern of unbundling claims is considered an “unfair billing pattern” by the State of California. Unfair billing patterns may be reported to the Department of Managed Health Care (DMHC) and the Department of Health Services (DHS).

V. ATTACHMENTS

N/A	
-----	--

VI. REFERENCES

Reference Type	Specific Reference
Regulatory	Health and Safety Code §1371.39

VII. REVISION HISTORY

Action	Date	Brief Description of Updates	Author
Revision	2025-06	Annual Compliance Review with minor updates	Robin Dow-Morales Claims
Revision	2015-02	Review requested by Compliance Department	-
Revision	2011-08	Revision provided by Chief Operating Officer (COO).	COO
Revision	2007-04	Revision requested by the Claims Department after internal review performed by AIS 03/2007. This policy has not been reviewed by AIS for regulatory compliance.	-

VIII. APPROVALS

Committees Board (if applicable)	Date Reviewed	Date Approved
Choose an item.		

Regulatory Agencies (if applicable)	Date Reviewed	Date Approved
Choose an item.		

Chief Executive Leadership Approval *		
Title	Signature	Date Approved
Chief Executive Officer		
Chief Medical Officer		
Chief Operating Officer		
Chief Financial Officer		
Chief Compliance and Fraud Prevention Officer		
Chief Health Equity Officer		
Chief Human Resources Officer		
Deputy Chief Information Officer		
*Signatures are kept on file for reference but will not be on the published copy		



Policy and Procedure Review

KHS Policy & Procedure: 6.18-P Laboratory Guidelines and Restrictions

Last approved version: 02/2015

Reason for revision: Compliance with annual policy reviews.

Director Approval		
Title	Signature	Date Approved
Senior Director of Claims		

Date posted to public drive: _____

Date posted to website ("P" policies only): _____