



COLLEGE of AMERICAN PATHOLOGISTS

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Sent via email

Denise O'Connor
Assistant General Counsel
Horizon Blue Cross Blue Shield of
New Jersey

Eric Berman, MD
Chief Medical Officer
Horizon Blue Cross Blue Shield of
New Jersey

Dear Ms. O'Connor and Dr. Berman:

On behalf of the College of American Pathologists (CAP), thank you and others at Horizon for taking the time to meet with us earlier this month. We appreciate your willingness to hear our concerns on behalf of our members and their patients. As we stated on the call, our interest is in ensuring insurer-imposed policies do not disrupt care coordination, add patient burdens, or compromise quality care. Unfortunately, we continue to see a number of these issues with recent actions by Horizon.

To start, we are still hearing from pathologists and practices in New Jersey – including since our call – expressing significant and genuine confusion over the recent changes. As you explained it to us, these changes are the result of Horizon's recent decision to enforce a policy that has been in effect since 2011. This "enforcement" is to ensure that, per the "Allowable Practice Locations for Pathologists" policy for managed care members, hospital-based pathologists are only "credentialed" and reimbursed for diagnostic services performed on patient specimens obtained in the hospital setting, and that all other specimens are sent to a "preferred" laboratory in the Horizon managed care network. While we acknowledge that Horizon recently revised the policy to provide additional clarity, these revisions have caused confusion in contrast to earlier Horizon policy language for providing pathology services "in a hospital setting." As such, the recent "enforcement" has been jarring. Independent laboratories and others also relied on earlier language in making changes to be in compliance.

Despite the assertion on the call that Horizon has not received any complaints, we know that pathologists and practices have reached out to Horizon for help but have not received calls back or information in return. **Thus, we urge you to address this communication breakdown and provide direct communication to impacted pathologists, including an overview of the policy and an explanation of the changes, and to provide an opportunity for pathologists and practices to ask questions and express their concerns.**

More importantly, the CAP calls on Horizon to reverse their recent decision to enforce this policy, so that clinicians can continue to choose local pathologists who are part of their model of coordinated care, which is an essential element in quality patient care. As we explained on the call, differentiating where specimens are sent, and which pathologists are "credentialed," based only on place of service results in



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fractured care that by its nature disrupts health care quality and adds unnecessary burden for patients and their physicians. In situations where the diagnostic biopsy leads to further hospital-based care (for example, an office-based fine-needle aspiration to diagnose cancer), the current requirement that patient samples be sent outside the local health system or care team prevents the local pathologist from participating in care coordination at the time of initial diagnosis or correlating these critical initial findings with subsequent surgical specimens obtained in the hospital. For patients who live further away from the health system/hospital, returning to receive care after the results have been returned may be difficult, and more likely to result in delayed care and compromised health outcomes.

Further, this requirement adds unnecessary time to treatment since it is typical, and often required, that the hospital-based pathologist confirm the diagnosis and assume responsibility for the patient's treatment. As acquiring outside materials can introduce significant delays in confirming diagnoses, patients may even require a second biopsy in the hospital setting to expedite care, which increases costs that may have been avoided. There are also logistical challenges and risks in dividing increasingly small diagnostic specimens to ensuring complete diagnostic and prognostic evaluation. Finally, some conditions may require rapid diagnosis for treatment (for example, small cell carcinoma) – not always possible when sending samples to outside laboratories – to prevent serious, even life-threatening complications. Pathologists impact nearly all aspects of patient care and are critical members of the health care team, from diagnosing cancer to participating in multidisciplinary conferences with the treating physicians (oncologists, surgeons, etc.) while the care plan is being formulated, to managing chronic diseases such as diabetes through ensuring accurate laboratory testing.

For these reasons, in addition to improved communication with impacted pathologists, we urge Horizon to reverse the recent decision to enforce this policy, and to revise it to support coordinated care for patients. Pathologists know that the right test at the right time makes all the difference for patients. The CAP is committed to improving care and addressing escalating health care costs, but disrupting care coordination can negatively affect a patient's diagnosis, treatment, and outcome. It should be up to the patient and their doctor to determine where diagnostic services occur, with the common goal of delivering the healthiest outcome.

Elizabeth Fassbender, JD, Director, Economic and Regulatory Affairs, is the contact person for further discussions. She can be reached at efassbe@cap.org or 608-469-8975. Thank you for engaging with us on this important issue.

Sincerely,

Ronald W. McLawhon, M.D., Ph.D., FCAP, FAACC
Chair, Economic Affairs Committee