



COLLEGE of AMERICAN PATHOLOGISTS

November 14, 2023

Sent via email

Denise O'Connor
Assistant General Counsel
Horizon Blue Cross Blue Shield (BCBS) of NJ

Dear Ms. O'Connor:

We are writing to follow up on our February 8th communication and to seek additional clarification around an administrative policy update¹ that changes how Horizon will “process certain claims submitted by hospital-based pathologists for services provided to members enrolled in plans/products that use the Horizon Managed Care Network.” As the world's largest organization of board-certified pathologists and the leading provider of laboratory accreditation and proficiency testing programs, the College of American Pathologists (CAP) serves patients, pathologists, and the public by fostering and advocating excellence in the practice of pathology and laboratory medicine worldwide.

We understand that beginning on July 1, 2023, for hospital-based pathologists, claims submitted for services rendered in an independent clinical laboratory setting to members enrolled in a plan/product that uses the Horizon Managed Care Network will be denied and not considered for reimbursement. **As this language is not clear, we hope to gain further clarification from Horizon on the intent behind this policy update and receive specific examples of the arrangements the policy is meant to target. Our concern is how this update could unnecessarily limit access to care and has already resulted in inappropriate denials of claims for our members.**

For example, we have heard reports that pathology groups have been getting denials for claims with the place of service (POS) as a physician's office even when these specimens are brought to the hospital and interpreted by hospital-based, participating pathologists. As you know, Medicare's POS codes are determined by the actual place where the patient/provider (face-to-face) interaction takes place – i.e., where the specimen originates. For example, when a hospital accepts specimens from physician offices, Medicare directs these labs to file such claims with the POS 11. We also understand from our members that, despite existing referral requirements, pathology services provided in a hospital setting to members enrolled in Horizon managed care plans by a participating practice are allowed², regardless of where the specimen originates. Therefore, it is our understanding that impacted hospital-based pathologists, in order to comply with POS requirements, are inappropriately having claims for such services denied.

¹ <https://www.horizonblue.com/providers/news/news-legal-notices/administrative-policy-update-allowable-practice-locations-pathologists>

² <https://www.horizonblue.com/providers/resources/manuals-user-guides/hospital-manual/policies-procedures-and-general-guidelines>



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Importantly, the CAP is increasingly concerned with insurers' restrictive reimbursement requirements and/or reliance on narrow/inadequate networks, which adds unnecessary burdens to receiving laboratory testing and can interrupt continuity of care, exacerbate issues around social determinates of health, and translate to increased costs down the road. This is a particular concern for the most vulnerable patient populations. While we appreciate that cost and affordability are important considerations, hindering access to pathology services through confusing and burdensome policies can negatively affect a patient's diagnosis, treatment, and outcome. **We strongly oppose any actions that add patient burdens, disrupt coordination, or compromise quality of care.**

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,



MD, FCAP

A. Joe Saad, MD, FCAP, CPE
Chair, Council on Government and Professional Affairs