This collection of frequently asked questions (FAQ) provides more detailed information regarding the Independence Blue Cross (IBC) selection of Laboratory Corporation of America® Holdings (LabCorp) as our exclusive national outpatient laboratory provider effective July 1, 2014. This document will be updated as additional information becomes available.

We encourage you to visit the LabCorp-dedicated section of our Provider News Center at www.ibx.com/pnc/lab. Email us at provider_communications@ibx.com if you have further questions after reviewing the FAQ.

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** General

1. What change did IBC announce regarding outpatient laboratory services and when was it effective?
   Effective July 1, 2014, Laboratory Corporation of America® Holdings (LabCorp) is IBC’s exclusive, nationally based provider of outpatient laboratory services. In addition, IBC’s contract with Quest Diagnostics® laboratories ended for IBC health plans effective July 1, 2014.

   In addition to LabCorp, the IBC network also includes other contracted laboratories (see the PDF available at www.ibx.com/pnc/lab).

2. What members are impacted by this change?
   This change affects all Blue-branded product lines and members (i.e., Personal Choice®, Keystone Health Plan East, and Independence Administrators), including individual, group commercial, and Medicare Advantage members, for services rendered in the Philadelphia five-county region and contiguous counties (i.e., the counties that surround the IBC service area).

3. Why did IBC make this decision?
   Health care is undergoing rapid, remarkable change, spurred by implementation of the health care reform law, an increasing focus on the individual consumer, and continuing cost pressures. In late 2013, IBC initiated a project to evaluate an exclusive national outpatient laboratory network concept, which has been effective in helping other insurers contain medical costs without affecting quality. Our partnership with LabCorp, a leading national laboratory, allows for enhanced clinical initiatives to improve patient care.

4. What do providers need to do as a result of this change?
   a. Effective July 1, 2014, Quest Diagnostics is an out-of-network provider. See question 23 for information regarding your contractual obligations to refer members to participating providers.

   b. Primary care physician (PCP) offices that were previously capitated to Quest Diagnostics were required to update their capitated laboratory to a participating capitated
laboratory provider. See question 8 for more information about how to update your capitated laboratory provider.

If your office does not already have an account with LabCorp and/or you would like a local LabCorp representative to help you set up an account, email LabCorp at NENewaccounts@labcorp.com or call 1-888-295-5915. A LabCorp representative will assist you and your staff in the account setup process as well as visit your office to customize your test ordering and results solutions.

c. Finally, we strongly suggest that providers establish their preferred electronic interface with LabCorp. See question 13 for more information about how to establish your preferred electronic interface with LabCorp.

5. How did IBC communicate this change in laboratory network to physicians?
IBC initially notified providers of this change in the March 2014 edition of Partners in Health UpdateSM. Information was also published on IBC NaviNet Plan Central and on our Provider News Center (www.ibx.com/pnc). We also mailed a notice to network practices in April 2014.

In addition, we created a section on our Provider News Center that is dedicated to this change in outpatient laboratory network. Go to www.ibx.com/pnc/lab. This section houses relevant information about this transition to LabCorp as our exclusive national outpatient laboratory provider. If physicians have any questions about this change, they can send an email to provider_communications@ibx.com.

6. How did IBC notify affected members?
IBC mailed a letter to HMO and POS members whose PCP is capitated to Quest Diagnostics for outpatient laboratory services to notify them that their capitated laboratory provider would change effective July 1, 2014. These members received a new ID card.

7. What should physicians look for when an IBC member presents for service? Are there any ID card impacts?
Physicians should use the Eligibility and Benefits Inquiry transaction on NaviNet to verify the capitated laboratory provider for HMO and POS members. Using NaviNet ensures that practices have the most accurate and current information regarding members’ capitated laboratory provider.

Members’ capitated laboratory provider is also indicated on the front of the member’s ID card. New member ID cards were mailed to HMO and POS members whose PCP’s capitated laboratory provider changed.

8. How do I change my capitated laboratory provider?
As of July 1, 2014, Quest Diagnostics is an out-of-network provider, and IBC PCPs cannot designate Quest Diagnostics as their capitated laboratory provider.

If you wish to change your capitated laboratory provider, please contact your Network Coordinator via email or letter. Additional information about making changes in network
status is available in the Provider Manual for Participating Professional Providers in the Administrative Procedures section under “Change of network status."

9. May I select a different in-network capitated outpatient laboratory provider for members covered under an IBC non-Blue affiliate?

Yes, you may select a different in-network capitated outpatient laboratory for members covered under an IBC non-Blue affiliate. See question 8 for more information about changing your capitated laboratory provider.

10. Can non-participating laboratories waive member cost-sharing (e.g., copayments, coinsurance, deductibles)?

Such activities have long been prohibited under the federal anti-kickback laws when used in connection with federally funded programs, such as Medicaid and Medicare, which may now include Qualified Health Plans on the Federally Facilitated Marketplace. In addition, routine waiver of cost-sharing may be a violation of the Federal False Claims Act, subject to investigation by the Office of Inspector General and/or any applicable state insurance department’s fraud division. Such arrangements also undermine the benefit plan by eliminating incentives created to encourage enrollees to choose to receive care within the network and to discourage overutilization of services.

About LabCorp (e.g., connectivity solutions, network)

11. Who is LabCorp?

LabCorp is the second largest independent clinical laboratory company in the United States. It operates a national network of 50 primary laboratories along with a network of branches and STAT laboratories that have the ability to perform certain routine tests quickly and report results to the physician in an expedited manner.

In addition, the company has developed a unique specialty testing operation through its Specialty Testing Group, including Dianon Pathology, Integrated Oncology, Integrated Genetics, MedTox Laboratories, Monogram BioSciences, Litholink, Endocrine Sciences, and Colorado Coagulation. These specialty testing businesses provide clients with access to industry-leading expertise and the latest developments in medical diagnostics.

Through LabCorp’s broad testing menu of routine and specialty testing services, customers are provided the convenience and efficiency of a one-stop shop for laboratory support.

12. I do not currently use LabCorp. How do I contact LabCorp and how do I set up an account?

If your office does not already have an account with LabCorp and/or you would like a local LabCorp representative to help you set up an account, please email NENewaccounts@labcorp.com or call 1-888-295-5915. A LabCorp representative will assist you and your staff in the account setup process as well as visit your office to customize your test ordering and results solutions.
13. Does LabCorp offer connectivity solutions for ordering tests and receiving result information?

Yes. LabCorp offers a variety of test ordering and result delivery solutions that provide the flexibility to meet clients’ needs, including several electronic options:

- **Web-based or Windows®-based electronic solutions:** Go to [www.labcorp.com/beacon](http://www.labcorp.com/beacon) for more information.
- **Bi-directional and uni-directional interfaces:** LabCorp has established interface capabilities with more than 600 EMR (electronic medical record) and PMS (practice management software) systems.

Contact LabCorp at 1-888-295-5915 to establish your electronic interfaces.

14. Has LabCorp agreed to pick up specimens from our entire IBC service area?

Yes, this agreement includes the entire IBC service area. LabCorp provides courier service for specimens collected in your office. Pick-up schedules can be customized to meet your office’s needs.

15. What is the size of the LabCorp network?

IBC's laboratory network provides access that is generally equivalent to or better than the access members had with IBC’s former laboratory network (including Quest Diagnostics). LabCorp has significantly expanded the number of patient service centers (PSC) in the IBC service area to provide convenient member access. With the addition of newly built PSCs, LabCorp has approximately 170 access points, including an estimated 50 new sites, in the IBC service area. LabCorp also provides lab specimen courier pick-up services for all applicable participating physician offices.

Physicians and members can search for LabCorp PSCs by going to [www.labcorp.com](http://www.labcorp.com) and selecting *Find a Lab*. Physicians and members can find other participating local and regional laboratories by using the Find a Doctor tool on [www.ibx.com](http://www.ibx.com).

For your reference, we have published a list of new LabCorp PSCs in the LabCorp section of our Provider News Center at [www.ibx.com/pnc/lab](http://www.ibx.com/pnc/lab). This list is subject to change.

16. Can the LabCorp network support IBC members?

Yes. LabCorp has invested significantly in their southeastern Pennsylvania workforce and infrastructure to support IBC’s members and physician network. Please refer to question 15 for more information about how the LabCorp network can support IBC members.

17. What is the most convenient LabCorp location to my office?

Physicians and members can search for LabCorp PSCs by going to [www.labcorp.com](http://www.labcorp.com) and selecting *Find a Lab*. For your reference, we have also published a list of new LabCorp PSCs in the LabCorp section of our Provider News Center at [www.ibx.com/pnc/lab](http://www.ibx.com/pnc/lab). This list is subject to change.

Physicians can call their Network Coordinator if they can’t find a participating outpatient laboratory that meets their needs.
18. Does LabCorp perform home draws?
Yes, LabCorp provides home draws for the entire IBC service area. Please contact your LabCorp representative or call 1-888-295-5915 to review the ordering process for home draws. Be advised that home draws should be limited to homebound patients.

IBC Outpatient Laboratory Provider Network

19. Is LabCorp IBC’s only in-network outpatient laboratory provider?
No, LabCorp is not IBC’s only in-network outpatient laboratory provider. LabCorp is IBC’s exclusive, nationally based provider of outpatient laboratory services; however, the IBC network also includes other contracted laboratories (see the PDF available at www.ibx.com/pnc/lab).

20. What laboratories are in the IBC network as of July 1, 2014?
In addition to LabCorp, the IBC network also includes other contracted laboratories (see the PDF available at www.ibx.com/pnc/lab). Please note that LabCorp also includes the following members of its Specialty Testing Group: Dianon Pathology, Integrated Oncology, Integrated Genetics, MedTox Laboratories, Monogram BioSciences, Litholink, Endocrine Sciences, and Colorado Coagulation.

Physicians must direct HMO and POS members to their capitated laboratory provider. In addition to participating laboratories, PPO members may utilize hospital laboratories in certain scenarios and/or when directed by their physician. Please note that PPO members who utilize hospital laboratories may experience significantly higher out-of-pockets costs.

21. What is IBC doing to ensure that members have convenient access to participating outpatient laboratory providers?
IBC’s laboratory network provides access that is generally equivalent to or better than the access members had with IBC’s former laboratory network (including Quest Diagnostics). In support of this contract, LabCorp has significantly expanded the number of PSCs in the IBC service area. With the addition of newly built PSCs, LabCorp has approximately 170 access points, including an estimated 50 new sites, in the IBC service area. LabCorp also provides lab specimen courier pick-up services for all applicable participating physician offices.

In addition to LabCorp, the IBC network also includes other contracted laboratories (see the PDF available at www.ibx.com/pnc/lab). Physicians and members can find a list of other participating local and regional laboratories using the Find a Doctor tool on www.ibx.com.

Physicians and members can search for LabCorp PSCs by going to www.labcorp.com and selecting Find a Lab. For your reference, we have also published a list of new LabCorp PSCs in the LabCorp section of our Provider News Center at www.ibx.com/pnc/lab. This list is subject to change.
22. How can physicians obtain a list of the most current participating laboratories?

For your reference, we have published a list of laboratories that are in the IBC network in addition to LabCorp. This list is available at www.ibx.com/pnc/lab.

To locate a participating laboratory provider, physicians can use the Find a Doctor tool at www.ibx.com or the Provider Directory through NaviNet. Physicians and members can search specifically for LabCorp PSCs by going to www.labcorp.com and selecting Find a Lab. For your reference, we have also published a list of new LabCorp PSCs in the LabCorp section of our Provider News Center at www.ibx.com/pnc/lab. This list is subject to change.

23. As a participating provider, am I required to direct members and/or their lab specimens to a participating laboratory?

Yes, your Professional Provider Agreement with IBC requires you to direct members and/or their lab specimens to a participating laboratory, except in an Emergency, as otherwise described in the applicable Benefit Program Requirements, or as otherwise required by law. The ordering physician shall obtain preapproval before referring a member to a non-participating provider. In the event Provider refers a Member to a non-Participating Provider or utilizes a non-Participating Provider without Preapproval, Provider shall inform the Member in advance, in writing: (i) of the service(s) to be provided; (ii) that IBC will not pay for or be liable for said services; and (iii) that Member will be financially liable for such services. In the event the ordering physician does not comply with these requirements, the ordering physician shall be required to hold the Member harmless and IBC may exercise other contractual rights it has against the ordering physician.

24. How will members be affected if they choose an out-of-network provider for laboratory services (e.g., Quest Diagnostics)?

If members choose a non-participating laboratory (including Quest Diagnostics), then those members may be subject to higher costs or non-coverage in accordance with their benefit plan. Therefore, physicians should refer IBC members to an in-network outpatient laboratory.

Members may be held financially responsible if they choose an out-of-network laboratory according to the following:

- **HMO and POS members.** HMO and POS members must use their capitated laboratory provider. If members do not use their capitated laboratory provider, members may be billed for the entire cost of the laboratory services, which can be expensive.

- **PPO members.** PPO members should use an in-network laboratory like LabCorp to maximize their benefits and save on out-of-pocket costs. PPO members may use an out-of-network laboratory (such as Quest Diagnostics), but they will pay the out-of-network level of cost-sharing (copayment, coinsurance, deductible) and will be subject to provider balance billing.
25. Can non-participating laboratories waive member cost-sharing (e.g., copayments, coinsurance, deductibles)?

Such activities have long been prohibited under the federal anti-kickback laws when used in connection with federally funded programs, such as Medicaid and Medicare, which may now include Qualified Health Plans on the Federally Facilitated Marketplace. In addition, routine waiver of cost-sharing may be a violation of the Federal False Claims Act, subject to investigation by the Office of Inspector General and/or any applicable state insurance department’s fraud division. Such arrangements also undermine the benefit plan by eliminating incentives created to encourage enrollees to choose to receive care within the network and to discourage overutilization of services.