Exclusive National Outpatient Laboratory Provider
Frequently Asked Questions
4/28/14

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.

General
1. What change is IBC announcing regarding outpatient laboratory services and when is it effective?
2. What members are impacted by this change?
3. Why did IBC make this decision?
4. What do I need to do as a result of this change?
5. How has IBC communicated this change in laboratory network to physicians?
6. How will IBC notify affected members?
7. What should physicians look for when an IBC member presents for service? Are there any ID card impacts?
8. How do I change my capitated laboratory provider?
9. May I select a different in-network capitated outpatient laboratory provider for members covered under an IBC non-Blue affiliate?
10. Can non-participating laboratories waive member cost-sharing (e.g., copayments, coinsurance, deductibles)?

About LabCorp (e.g., connectivity solutions, network)
11. Who is LabCorp?
12. I do not currently use LabCorp. How do I contact LabCorp and how do I set up an account?
13. Does LabCorp offer connectivity solutions for ordering tests and receiving result information?
14. Has LabCorp agreed to pick up specimens from our entire IBC service area?
15. What is the size of the LabCorp network?
16. Can the LabCorp network support IBC members?
17. What is the most convenient LabCorp location to my office?
18. Does LabCorp perform home draws?

IBC Outpatient Laboratory Provider Network
19. Will LabCorp be IBC’s only in-network outpatient laboratory provider?
20. What laboratories will be in the IBC network as of July 1, 2014?
21. What is IBC doing to ensure that members have convenient access to participating outpatient laboratory providers?
22. How can physicians obtain a list of the most current participating laboratories?
Exclusive National Outpatient Laboratory Provider
Frequently Asked Questions
4/28/14

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

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

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

General
1. What change is IBC announcing regarding outpatient laboratory services and when is it effective?
   Effective July 1, 2014, Laboratory Corporation of America® Holdings (LabCorp) will be IBC’s exclusive, nationally based provider of outpatient laboratory services for a period of at least eight (8) years. IBC’s contract with Quest Diagnostics® laboratories will end for IBC health plans effective July 1, 2014.
   In addition to LabCorp, the IBC network will also continue to include other currently contracted laboratories (see the PDF available at www.ibx.com/pnc/lab).

2. What members are impacted by this change?
   This change covers 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, will allow for enhanced clinical initiatives to improve patient care.

4. What do I need to do as a result of this change?
   a. Effective July 1, 2014, Quest Diagnostics will be an out-of-network provider. See question 23 for information regarding your contractual obligations to refer members to participating providers.
   b. If you are a primary care physician (PCP) office and you are currently capitated to Quest Diagnostics, you will need to update your 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 you establish your preferred electronic interface as soon as possible. See question 13 for more information about how to establish your preferred electronic interface with LabCorp.

5. How has IBC communicated this change in laboratory network to physicians?

IBC initially notified providers of this change in the March 2014 edition of Partners in Health Update℠. Information was also published on IBC NaviNet Plan Central and on our Provider News Center (www.ibx.com/pnc). In addition, we have created a dedicated section on our Provider News Center at 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.

As more information becomes available, we will update these resources and provide notifications on the Provider News Center and the NaviNet® web portal. We will also mail a notice to affected physician practices in April.

6. How will IBC notify affected members?

IBC will mail 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 will be changed effective July 1, 2014, and they will receive a new ID card at that time.

Additional information about this laboratory network change will be communicated to all members over the coming months.

7. What should physicians look for when an IBC member presents for service? Are there any ID card impacts?

For HMO and POS members, as they do today, physicians should use the Eligibility and Benefits Inquiry transaction on NaviNet to verify the member’s capitated laboratory provider. The use of NaviNet will ensure 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 will be mailed to HMO and POS members whose PCP’s capitated laboratory provider changes.

8. How do I change my capitated laboratory provider?

Effective July 1, 2014, Quest Diagnostics will be an out-of-network provider, and IBC PCPs will no longer be able to designate Quest Diagnostics as their capitated laboratory provider.

PCPs who are currently capitated to Quest Diagnostics received a letter in early April indicating that we will automatically assign LabCorp as their capitated laboratory provider effective July 1, 2014, unless we are notified otherwise by May 1, 2014.
If you wish to change your capitated laboratory provider sooner to a laboratory provider other than LabCorp, please contact your Network Coordinator via email or letter prior to May 1, 2014. 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.

We strongly suggest contacting LabCorp at 1-888-295-5915 as soon as possible so that these interfaces are established prior to July 1, 2014.

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 will provide access that is generally equivalent to or better than the access members have with IBC’s current laboratory network (including Quest Diagnostics). Prior to July 1, 2014, LabCorp will significantly expand 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 will have approximately 169 access points, including an estimated 50 new sites, in the IBC service area. LabCorp will also provide lab specimen courier pick-up services for all applicable participating physician offices effective July 1, 2014.

Physicians and members can search for currently open and “coming soon” 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 LabCorp PSCs that are new or under construction in the LabCorp-dedicated section of our Provider News Center at [www.ibx.com/pnc/lab](http://www.ibx.com/pnc/lab). This list is subject to change and will be updated as new information becomes available.

16. Can the LabCorp network support IBC members?

Prior to July 1, 2014, LabCorp will significantly expand the number of PSCs in the IBC service area to provide convenient member access. With the addition of newly built PSCs, LabCorp will have approximately 169 access points, including an estimated 50 new sites, in the IBC service area. LabCorp will also provide lab specimen courier pick-up services for all applicable participating physician offices effective July 1, 2014.

Over the coming months, LabCorp will invest significantly in their southeastern Pennsylvania workforce and infrastructure to support IBC’s members and physician network.
17. What is the most convenient LabCorp location to my office?
Physicians and members can search for currently open and “coming soon” LabCorp PSCs by going to www.labcorp.com and selecting Find a Lab. For your reference, we have also published a list of LabCorp PSCs that are new or under construction in the LabCorp-dedicated section of our Provider News Center at www.ibx.com/pnc/lab. This list is subject to change and will be updated as new information becomes available.

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. Will LabCorp be IBC’s only in-network outpatient laboratory provider?
No, LabCorp will not be IBC’s only in-network outpatient laboratory provider. LabCorp will be IBC’s exclusive, nationally based provider of outpatient laboratory services; however, the IBC network will also continue to include other currently contracted laboratories (see the PDF available at www.ibx.com/pnc/lab).

20. What laboratories will be in the IBC network as of July 1, 2014?
In addition to LabCorp, the IBC network will also continue to include other currently 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 will provide access that is generally equivalent to or better than the access members have with IBC’s current laboratory network (including Quest Diagnostics). In support of this contract, prior to July 1, 2014, LabCorp will significantly expand the number of PSCs in the IBC service area. With the addition of newly built PSCs, LabCorp will have approximately 169 access points, including an estimated 50 new sites, in the IBC service area. LabCorp will also provide lab specimen courier pick-up services for all applicable participating physician offices effective July 1, 2014.

In addition to LabCorp, the IBC network will also continue to include other currently 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 currently open and “coming soon” LabCorp PSCs by going to www.labcorp.com and selecting Find a Lab. For your reference, we have also published a list of LabCorp PSCs that are new or under construction in the LabCorp-dedicated section of our Provider News Center at www.ibx.com/pnc/lab. This list is subject to change and will be updated as new information becomes available.

Physicians can call their Network Coordinator if they can’t find a participating outpatient laboratory that meets their needs.

22. How can physicians obtain a list of the most current participating laboratories?
For your reference, we have published a list of laboratories that will continue to be in the IBC network as of July 1, 2014, 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 currently open and “coming soon” LabCorp PSCs by going to www.labcorp.com and selecting Find a Lab. For your reference, we have also published a list of LabCorp PSCs that are new or under construction in the LabCorp-dedicated section of our Provider News Center at www.ibx.com/pnc/lab. This list is subject to change and will be updated as new information becomes available.

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)?
After July 1, 2014, 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.

_NaviNet® is a registered trademark of NaviNet, Inc., an independent company._

_The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association, an association of Independent Blue Cross and Blue Shield plans._