



People. Trust. Results.
Since 1960

UHC Non-Patient Lab Reimbursement Limitation

Effective May 1, 2020, United Healthcare (UHC) will not allow hospitals acting as a reference laboratory or performing diagnostic tests for non-patients to bill under that hospital's facility participation agreement. According to the new requirements, hospitals must apply with UHC to become credentialed and contracted as a reference laboratory before they are allowed to participate in UHC's commercial network and be paid for their outreach (non-hospital/reference lab) lab testing.

UHC defines a reference laboratory as "A laboratory that performs diagnostic testing on specimens it receives from other referring laboratories or care providers." It considers any member a non-patient when they are neither an inpatient nor an outpatient of a hospital but still have a specimen submitted for laboratory testing at that hospital.

Most hospitals do not hold credentials as both a hospital lab and a reference lab, which has often allowed them to be reimbursed at or above Medicare rates for lab testing services. Because of UHC's change to reimbursement, hospital labs will need to contract their outreach work separately. This, in turn, will result in lower reimbursement rates for this segment of the hospital's business. Not only will this immediately and negatively impact the billing revenue of these hospitals but lowering reported rates for these services may have far-reaching effects with future PAMA reporting, resulting in lower billing rates for many lab testing service providers in the future.

APS' credentialing specialists and contracting team will work to help ensure clients obtain in-network status with UHC by May 1, 2020. It is important to note that the May 1, 2020 implementation is a cutover date for claims processing and is not for that date of service forward. If you have any questions, please contact your Practice Manager.