

New benefit designs for outpatient lab services – Designated Diagnostic Provider

Frequently asked questions

This FAQ is current as of June 1, 2022. We'll be regularly making updates to this site. Be sure to check back here for the latest information.

Overview

Outpatient lab services will be paid at a higher tier/lower cost share for fully insured commercial members when delivered by a Designated Diagnostic Provider. If a member has this benefit and receives services from a provider that is not a Designated Diagnostic Provider, services will be paid at the lowest tier/higher cost share according to their plan.

Frequently asked questions

What is a Designated Diagnostic Provider?

In an effort to ultimately help reduce member cost and improve transparency, we've created Designated Diagnostic Provider benefit designs. For fully insured commercial plan members, outpatient laboratory services will only be covered at the higher benefit level when provided by qualified freestanding locations or network hospitals who meet certain quality and efficiency requirements.

Outpatient lab services will be paid at a higher tier/lower cost share for fully insured commercial members when delivered by a Designated Diagnostic Provider. If a member has this benefit and receives services from a provider that is not a Designated Diagnostic Provider, services will be paid at the lowest tier/higher cost share according to their plan.

What are the requirements to become a Designated Diagnostic Provider?

Designated Diagnostic Providers are laboratories that meet broadly recognized quality and efficiency standards. UnitedHealthcare has invited all in-network free-standing and outpatient hospital laboratories to meet the quality and efficiency criteria to be a Designated Diagnostic Provider.

To meet the quality criteria, labs must complete a simple survey to demonstrate accreditation from more than one independent, industry-recognized organization that conducts quality reviews of labs (examples of such organizations recognized by United for DDP include the American Association for Laboratory Accreditation, College of American Pathologists or the Joint Commission).



Key points

- New benefit designs coming soon. Providers must meet efficiency and quality requirements.
- Providers will need to complete a quality questionnaire
- A dedicated network representative will reach out to discuss requirements

Complete the Designated Diagnostic Provider lab [quality questionnaire](#).

- If you meet the lab quality and efficiency requirements, you will become a Designated Diagnostic Provider for lab services and be notified accordingly
- If you do not meet the lab Designated Diagnostic Provider requirements for lab services, a dedicated network representative will reach out to follow up and support the process
- Those facilities that do not meet the requirements to be a Designated Diagnostic Provider will remain in-network

Why did UnitedHealthcare create the Designated Diagnostic Provider benefit designs?

We want our members to receive high-quality, more affordable services when a health care professional prescribes a lab test for them and that is why we are adding the Designated Diagnostic Provider benefit to our commercial members plans. This benefit design is one way we are helping make health care more affordable and addressing the high cost of certain services that can be performed at a lower cost by different providers. Outpatient hospital lab services can cost on average 4 to 5 times more than free-standing labs, and in some cases as much as 1000 percent more.

Participation requirements

How do the Designated Diagnostic Provider benefit designs work?

UnitedHealthcare has invited all in-network free-standing and outpatient hospital laboratories to meet the quality and efficiency criteria to be a Designated Diagnostic Provider. These are labs that our network physicians and members are already familiar with and in many cases, already using. Free-standing and outpatient hospital laboratories that meet quality and efficiency standards will be considered Designated Diagnostic Providers. To meet the quality criteria, labs must complete a simple survey to demonstrate accreditation from more than one independent, industry-recognized organization that conducts quality reviews of labs such as the American Association for Laboratory Accreditation, College of American Pathologists or the Joint Commission.

Which labs will be included in the Designated Diagnostic Provider benefit design?

Freestanding and outpatient hospital laboratories that meet quality and efficiency requirements will be considered a Designated Diagnostic Provider. Health care professionals who are Designated Diagnostic Providers will be promoted as such starting July 1, 2021 and we are encouraging our members to use Designated Diagnostic Providers for lab services. We will continue to educate them about the importance of seeing a Designated Diagnostic Provider because they will receive quality care and pay less for services.

What plans are impacted by the Designated Diagnostic Provider benefit designs?

Subject to state regulatory approval, Designated Diagnostic Provider benefit designs are required for fully insured commercial members in all states, except Hawaii and the U.S. Virgin Islands, and are optional for members with administrative services only (ASO) plans.

The following are out of scope for the Designated Diagnostic Provider benefit designs:

- Lab services performed in an emergency room or as part of an inpatient admission
- Outpatient surgery pre-operation testing that is billed as part of a global surgical package
- Lab procedures billed as a component of a bundled charge
- Lab procedures billed as part of an ER service, with same date of service
- Lab services that are part of chemotherapy (applicable only for markets that have approved covered/non-covered designated diagnostic lab benefits)
- Lab procedures billed as part of an outpatient surgery event, with same date of service
- Lab procedures billed as part of pre-admission testing, with same date of service
- Lab procedures billed as part of an inpatient event, with same date of service
- Lab procedures billed as part of an observation event, with same date of service
- Lab procedure billed as part of an infertility treatment
- Pathology contracted on a Medical Group Agreement and only performing pathology services supporting hospital place of service (22)
- Hawaii
- U.S. Virgin Islands
- Neighborhood Health Partnership
- Sierra
- Optimum Choice, Inc. (capitated arrangements)
- Medicare and Medicaid plans
- Individual Exchange member plans

Is pathology in scope?

- Pathologists on ancillary agreements' independent labs would be considered in scope

Lab requirements

Will Preferred Lab Network and Designated Diagnostic Providers be the same? If not, why?

No. The **Preferred Lab Network** is a subset of its freestanding lab network containing labs that meet higher standards for cost, access, quality and service, and will be part of the Designated Diagnostic Provider benefit designs. Designated Diagnostic Providers must meet efficiency and quality requirements established for existing freestanding labs. Freestanding and outpatient hospital laboratories that meet requirements will become Designated Diagnostic Providers.

Do these benefit designs apply to specimens collected during a doctor's appointment, or do they only apply when the member is given an order and goes to an outpatient lab for specimen collection?

Designated Diagnostic Provider benefit designs apply to both situations. Subject to state regulatory approval, the benefit designs apply to any outpatient lab service performed in a freestanding or outpatient hospital lab setting.

- Samples sent to Preferred Lab Network and Designated Diagnostic Provider laboratories will be covered
- Samples sent to an outpatient hospital lab for patients not registered at the hospital will be denied under our **Hospital Reference Lab** Protocol
- Samples provided by a patient at a Designated Diagnostic Provider hospital outpatient lab and processed onsite or sent to a Preferred Lab Network or Designated Diagnostic Provider laboratory will be covered at the higher tier

Would we need to register a lab that is part of our physician practice?

Labs with CLIA Waiver status, billing POS 11 (office), are considered out of scope when providing services included in the waiver. If the lab is providing services that are considered moderate or high complex, the lab should be contracted on an ancillary agreement separate from the medical group.

Does a Designated Diagnostic Provider include labs done in a place of service office and ambulatory surgical facility?

The Designated Diagnostic Provider benefit design only applies to POS code 19 (off-campus outpatient hospital), 22 (on-campus outpatient hospital), 81 (independent laboratory), as well as outpatient hospital labs. Services done in office and ASCs are not subject to the DDP benefit design.

Member impact

How will members learn about this change?

We have a targeted outreach strategy in place to help members understand the benefit designs, easily identify and access Designated Diagnostic Providers, and support members if they receive a balance bill.

UnitedHealthcare has designed an end to end member engagement experience that provides members information and tools on the new plan design and how to easily identify and access Designated Diagnostic Providers.

- Targeted messaging and outreach for members who have received services from a non-Designated Diagnostic Provider in the past 12 months
- Messaging to all members enrolled in this plan design with information and tools on the new plan design, how to identify and access Designated Diagnostic Providers and talk with his/her physician about lab services. Designated Diagnostic Providers will be identified in the provider directory.
- We updated our provider directories with an icon so that members who have a Designated Diagnostic Provider benefit plan design know if they are going to a Designated Diagnostic Provider for lab services, or if their labs are being sent to a Designated Diagnostic Provider

Who is responsible for helping to ensure that the member is referred to or the specimen is sent to a Designated Diagnostic Provider?

Identifying and using a Designated Diagnostic Provider is a shared responsibility between the referring physician and the member. The UnitedHealthcare member engagement strategy will educate members beginning July 1, 2021. We will also educate physicians on how to help ensure referrals are being made to Designated Diagnostic Providers.

Will the Designated Diagnostic Provider benefit designs be available in all markets including those identified as rural and frontier areas?

The Designated Diagnostic Provider benefit designs are being filed in all markets and will be available in markets where approved. In the rare instance that a member does not have access to services, an exception can be granted.

Will outpatient hospital labs need to have an ancillary contract to provide services to members enrolled in the Designated Diagnostic Provider benefit designs?

No. Outpatient hospital labs may retain their facility agreement for outpatient hospital lab services. If the outpatient hospital lab performs non-patient services, such as testing or processing for specimens sent to, but not drawn at the location, the provider must be contracted as an ancillary provider. Please see the [Hospital Reference Lab](#) Protocol for more information.

How will patients be aware of Designated Diagnostic Providers?

The following icon will be used to identify a Designated Diagnostic Provider on myuhc.com[®], the mobile app and will be used on their member ID card to identify they have this benefit design. Members will have a plan indicator on the back of their ID card.

Designated Diagnostic Provider-Lab

UnitedHealthcare[®]
Health Plan (80840) 911-87726-04
Member ID: 123456789 Group Number: 98765
Member: SUBSCRIBER SMITH
Dependents: SPOUSE SMITH, CHILD1 SMITH, CHILD2 SMITH, CHILD3 SMITH
Payer ID: 87726
OPTUMRx[®]
Rx Bin: 610279
Rx PCN: 9999
Rx Grp: UHEALTH
Customer Logo Here
UnitedHealthcare Choice Plus
Underwritten by (Appropriate Legal Entity)
Copays: Office: \$25 ER: \$300
UrgCare: \$150 Spec: \$30
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Members: We're here to help. Check benefits, view claims, find a doctor, ask a question and more.
Web: myuhc.com
Phone: 888-555-4444
Providers: 877-842-3210 or UHCprovider.com
Medical Claims: PO Box 740800, Atlanta GA 30374-0800
Shared Savings Logo Here
Designated Diagnostic Provider
Pharmacists: 888-290-5416
Pharmacy Claims: OptumRx PO Box 650540 Dallas, TX 75265-0540

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Resources

Where can I find more information?

For more information, visit UHCprovider.com/DDP. You can also contact your dedicated network representative with questions.