

New benefit designs for outpatient lab services – Designated Diagnostic Provider

Frequently asked questions

Overview

Effective July 1, 2021, and subject to state regulatory approval, UnitedHealthcare is launching new benefit designs for outpatient laboratory services centered on Designated Diagnostic Providers. Outpatient diagnostic lab services will be covered at the highest tier when delivered by a Designated Diagnostic Provider. These benefit designs will apply to fully insured commercial plan members.

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 highest benefit level when provided by qualified freestanding locations or network hospitals who meet certain quality and efficiency requirements.

Effective July 1, 2021, and subject to state regulatory approval, outpatient diagnostic lab services will be covered at the highest benefit level for members with UnitedHealthcare Designated Diagnostic Provider benefit designs if delivered by Designated Diagnostic Providers. Services may not be covered at the highest tier, and your patients could be responsible for payment if performed by providers who are not designated.

In 2022, we will expand the Designated Diagnostic Provider benefit designs to include major radiology services (MR, CT, PET/nuclear medicine). If you are a health care provider that performs these services, our network representatives will communicate to you when it is time to begin the process to become a Designated Diagnostic Provider for major radiology services. If you meet the criteria to become a Designated Diagnostic Provider for laboratory services, you will still need to meet the criteria to become a Designated Diagnostic Provider for major radiology services.

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.

What are the requirements to become a Designated Diagnostic Provider?

To become a Designated Diagnostic Provider and provide services for members with Designated Diagnostic Provider benefit designs, you will need to meet certain quality and efficiency requirements. Please complete the Designated Diagnostic Provider [quality questionnaire](#). The questionnaire can be completed at a later date, but approved facilities will not be included in the up-front member materials.

- If you meet the quality and efficiency requirements, you will become a Designated Diagnostic Provider and be notified accordingly
- If you do not meet the Designated Diagnostic Provider requirements, a dedicated network representative will reach out to follow up and support the process
- You can verify your Designated Diagnostic status by contacting your dedicated network representative

Why did UnitedHealthcare create the Designated Diagnostic Provider benefit designs?

We are continuing our work toward the Triple Aim of better care, better health and lower costs for UnitedHealthcare members. Designated Diagnostic Provider benefit designs are intended to maximize member benefits for lab services and help ensure that laboratory services are performed by providers who have met both efficiency and quality requirements.

Participation requirements

How do the Designated Diagnostic Provider benefit designs work?

Subject to state regulatory approval, member benefit designs will maximize lab benefits at Designated Diagnostic Provider labs, which are freestanding or hospital outpatient labs that have met certain quality and efficiency requirements, including [Preferred Lab Network](#) providers. Beginning July 1, 2021, outpatient lab services are paid at the highest tier for 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 if they are an in-network, non-Designated Diagnostic Provider.

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 Designated Diagnostic Providers. Facilities that do not meet the requirements will remain in network for UnitedHealthcare, but outpatient diagnostic lab services will not pay at the highest tier for members with Designated Diagnostic Provider benefit designs and your patients may have higher liability.

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 procedures billed as part of a chemotherapy episode of care
- 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

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

Can a non-participating provider become a Designated Diagnostic Provider?

No. Non-participating labs are not eligible to become a Designated Diagnostic Provider.

Do we need a questionnaire completed for each lab?

A single response can be provided for a system. All tax ID numbers (TINs) should be included in the location.

What is a Patient Service Center?

A Patient Service Center is a location operated by a laboratory where a patient can go for specimen collection. The Patient Service Center sends the specimen to their lab for processing.

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 will engage members to understand the benefit, easily identify and access Designated Diagnostic Providers and support members if they receive a balance bill. More specifically, this includes:

- 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.
- If a member receives a balance bill from a non-Designated Diagnostic Provider and was unaware of the Designated Diagnostic Provider status, he/she may submit an appeal. UnitedHealthcare will provide a one-time exception to reprocess the claim at the Designated Diagnostic Provider benefit level and both educate the member and referring provider on Designated Diagnostic Provider locations going forward.

What happens if a member's lab is sent to a non-Designated Diagnostic Provider?

If a member's lab is sent to a provider who is not designated, the claim will pay at the lowest tier if it's sent to an in-network provider. If it's sent to an out-of-network provider, the plan out-of-network coverage would apply and the member may be responsible for the payment of services. If the non-Designated Diagnostic Provider bills the member and the member submits an appeal to UnitedHealthcare, UnitedHealthcare will provide a one-time exception and reprocess the claim at the Designated Diagnostic Provider benefit level. We will also educate both the member and the provider on Designated Diagnostic Provider locations.

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 before the July 1, 2021, effective date. 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. Member access will be evaluated and where we may have access gaps, we will work with outpatient hospital locations to meet quality and efficiency requirements.

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

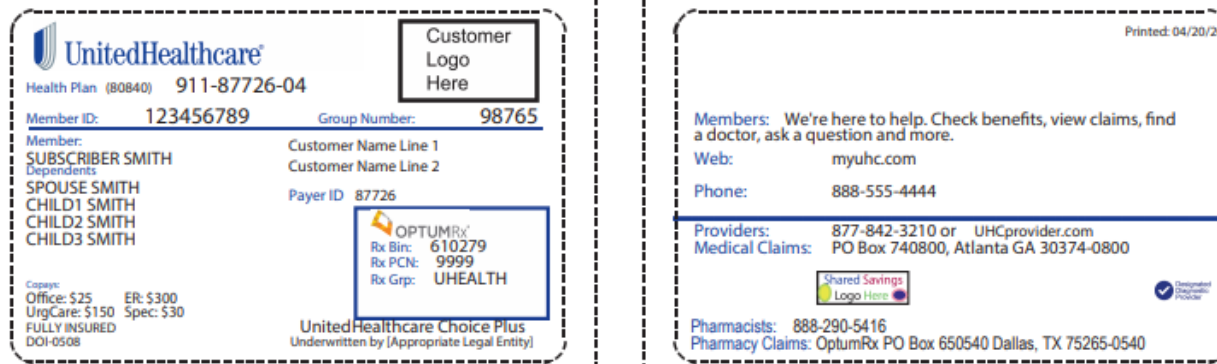
No. Outpatient hospital labs may retain their facility agreement for outpatient hospital lab services. If the outpatient hospital lab performs non-patient services, such as testing or processing for specimens sent to, but not drawn at the location, the provider must be contracted as an ancillary provider.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

How will patients be aware of Designated Diagnostic Providers?

Prior to July 1, a list of Designated Diagnostic Providers will be provided for a member's open enrollment process. After July 1, 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 also have a plan indicator on the back of their ID card.



For illustration purposes only



What will the member see on their EOB when a claim is denied?

The amount owed is based on your benefit plan. In the future, you may lower your costs by using a Designated Diagnostic Provider. For information about your benefits, please visit your member website for plan documents.

Resources

Where can I find more information?

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



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