BlueCross BlueShield of North Carolina

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Corporate Medical Policy

Professional Pathology Billing Requirements AHS – R2169

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Description

Blue Cross and Blue Shield of North Carolina (BCBSNC) is prohibiting the practice of "pass-through" billing by assuring that the professional practice or laboratory performing the services on behalf of a BCBSNC Member, will directly bill for those services. In addition, BCBSNC is working to bring the costs for surgical pathology services to parity across the outpatient places of service (as defined in this policy).

All claims are required to include a place of service (POS) code from the POS code set maintained by the Centers for Medicare & Medicaid Services (CMS). While CMS maintains this code set, it is used by all other public and private health insurers, including BCBSNC.

Policy

BCBSNC will reimburse professional pathology service in accordance with the requirements outlined below.

Benefits Application

This corporate medical policy relates only to the services or supplies described herein. Please refer to the Member's Benefit Booklet for availability of benefits. Member's benefits may vary according to benefit design; therefore member benefit language should be reviewed before applying the terms of this corporate medical policy.

Service Guidelines

- Many diagnostic services contain both a Technical and a Professional component, and often these components are furnished in different settings.
- The provider rendering the service (professional, technical or both) must bill for that service.
- Surgical biopsies that originate in an Outpatient Hospital setting must be billed with a **Hospital place of service** (POS 19, 22) regardless of the location (hospital vs. pathology practice) of the technical and/or professional component.
- Surgical biopsies that originate in the **Ordering Physician** office (e.g. dermatology) or in an **Ambulatory Surgical Center** (ASC) and referred out for professional and technical pathology services, must be billed as an Independent Laboratory under place of service 81.

Billing Requirements

The chart below is how pathology claims must be filed in order to process and pay appropriately.

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Specimen Origin*	Rendering Provider Type	Service Type	Rendering Location	POS	Modifier	Billing (From)	Claim Type (Form)	Contract	Claims (To)	Service Type		Modifier			Bill As...
										Technical	Professional	TC	26	None	
OP Hospital	Histology Lab (Hospital)	Technical	Hospital	19,22	TC	Hospital	UB	Facility	BCBS NC	✓		✓			POS 19, TC Mod POS 22, TC Mod
OP Hospital	Histology Lab (Pathology Practice)	Technical	Hospital	19,22	TC	Practice	1500	Professional	BCBS NC	✓		✓			POS 19, TC Mod POS 22, TC Mod
OP Hospital	Independent Pathologist	Professional	Practice	19,22	26	Practice	1500	Professional	BCBS NC		✓		✓		POS 19, 26 Mod POS 22, 26 Mod
OP Hospital	Independent Pathologist	PC/TC	Practice	19,22	None (Global)	Practice	1500	Professional	BCBS NC	✓	✓			✓	POS 19 (Global, No modifier) POS 22 (Global, No modifier)
ASC	Independent Pathologist	Professional	Individual	11	26	Spc Practice	1500	Professional	BCBS NC		✓		✓		POS 11, 26 Mod
ASC	Independent Pathologist	PC/TC	Practice	11	None (Global)	Spc Practice	1500	Professional	BCBS NC	✓	✓			✓	POS 11 (Global, No modifier)
ASC	Independent Pathologist	PC/TC	Practice	81	None (Global)	Practice	1500	Ancillary	3rd-party	✓	✓			✓	POS 81 (Global, No modifier)
ASC	Commercial Lab	Technical	Commercial Lab	81	TC	Commercial Lab	1500	Ancillary	3rd-party	✓		✓			POS 81, TC Mod
ASC	Commercial Lab	PC/TC	Commercial Lab	81	None (Global)	Lab	1500	Ancillary	3rd-party	✓	✓			✓	POS 81, (Global, No modifier)
Physician Office	Independent Pathologist	Professional	Individual	11	26	Spc Practice	1500	Professional	BCBS NC		✓		✓		POS 11, 26 Mod
Physician Office	Independent Pathologist	Technical	Individual	11	TC	Spc Practice	1500	Professional	BCBS NC	✓		✓			POS 11, TC Mod
Physician Office	Independent Pathologist	PC/TC	Individual	11	None (Global)	Spc Practice	1500	Professional	BCBS NC	✓	✓			✓	POS 11 (Global, No modifier)
Physician Office	Independent Pathologist	PC/TC	Practice	81	None (Global)	Practice	1500	Ancillary	3rd-party	✓	✓			✓	POS 81 (Global, No modifier)
Physician Office	Commercial Lab	PC/TC	Practice	81	None (Global)	Practice	1500	Ancillary	3rd-party	✓	✓			✓	POS 81 (Global, No modifier)

DEFINITIONS

Specimen Origin*	Location where patient receives treatment/procedure
Rendering Provider Type	Provider who administers treatment/procedure
Service Type	Describes the component performed by the Rendering Provider: Technical (Development of Slide) or Professional (Interpretation of Slide)
Rendering Location	Location where Service Type was performed
POS	Place of Service for Billing Specification
Modifier	Identifies Service Type performed (TC - Technical Component, 26 - Professional Component, Both (Global) - No Modifier
Billing (From)	Entity sending claims (Rendering provider)
Claim Type	Claim form utilized by Facilities or Providers
Contract	Rendering Provider agreement with Blue Cross NC or 3rd Party administrator
Claims (To)	Entity receiving claims
Spc Practice	Non-pathology practice (e.g. gastroenterology, urology, dermatology)
Private Pathology	Must meet the following: 1) Provider practice is associated with a hospital, 2) serves as hospital clinical lab director, 3) may service more than a single hospital
Independent Lab	Not affiliated with a hospital for pathology services; receives more that 75% of all pathology services business from the office setting.
TC	Technical component, also modifier designation for same.
26	Professional component, modifier for same.

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Reference Laboratory	"Reference laboratory" is a laboratory that performs diagnostic testing on specimens it receives from other referring laboratories or care providers.

Unless otherwise determined by BCBSNC, POS must match the following requirements:

- When a patient specimen originates in a physician office setting, and the pathologist performs the professional component (PC) alone (i.e. the histology or technical component was performed in a setting other than the pathology practice), the claim must be billed as **POS 11 with modifier 26**.
- When the patient specimen originates in an **Outpatient Hospital Facility (POS 19, 22)** and the technical component is performed by the *hospital owned* Histology laboratory, the hospital must bill for the technical component using the **TC modifier**. The pathologist rendering the professional component must bill as **POS 19 or 22 with a 26 modifier.**
- Patient specimens originating in the **Outpatient Hospital Facility (POS 19, 22)** may be billed as a "global" only if the technical component is performed in the *hospital-owned* Histology lab and the pathologist is an **employee** of the hospital.
- Patient surgical specimens obtained from a **Physician office (POS 11)** or an **Ambulatory Surgery Center (POS 24)** must be billed as **POS 81/Global** if both the Technical and Professional components were rendered at the pathology practice.
- Pathology practices must file all non-Medicare surgical pathology claims for global services (i.e. claims that include both the Technical and Professional components) as **POS 81** to BCBSNC's laboratory services intermediary.
- Surgical pathology specimens originating in a Specialty practice (e.g. Gastroenterology, Urology, Dermatology) and billed by the same office **must meet** all the following conditions:
    - The name and NPI of the rendering pathologist must appear on the claim
    - The pathologist must be credentialed and listed on the group roster
    - Both the Technical and Professional components must be performed by the office in order to bill as global
    - If the Technical component is performed by an external histology lab, then that lab must bill for those services using the TC modifier

Labs must meet current BCBSNC credentialing requirements (including but not limited to CLIA).

The pathology practice may elect to move the Technical component into the practice by forming its own Histology lab.

Billing/Coding/Physician Documentation Information

Applicable codes for this policy are for reference only and may not be all inclusive.Inclusion of a code in this section does not guarantee that it will be reimbursed. For further information on reimbursement guidelines, please see Administrative Policies on the BCBSNC web site at www.bcbsnc.com. They are listed in the Category Search on the Medical Policy search page.

Applicable service codes:

- *0002M-0007M, 3011F-3210F, 36415, 36416, 80047-80439, 81000-815412, 82009-82958, 83001-83993, 84030-84999, 85002-85055, 85130, 85170, 85175, 85210-85293, 85300-85397, 85400-85475, 85520-85999, 86000-86999, 87003-87999, 88300-88309, 99000, 99001 Clinical pathology*
- *88300-88399 Surgical pathology*
- *88104-88199 Cytopathology*
- *80500-80502 Pathology consultation*

Reference Sources

Centers for Medicare & Medicaid Services. https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2679CP.pdf

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https://codes.findlaw.com/nc/chapter-90-medicine-and-allied-occupations/nc-gen-st-sect-90-701.html

https://www.bluecrossnc.com/providers/emanuals/provider-blue-book

Specialty Matched Consultant Advisory Panel 7/2021

Medical Director review 7/2021

Policy Implementation/Update Information

7/30/19	New Billing policy developed. BCBSNC will reimburse professional pathology services in accordance with the guidelines outlined in the policy. **Policy noticed 7/30/2019 for effective date 10/1/2019**. (an)
10/1/19	Last paragraph in Description section deleted. In the Service Guidelines section, 3rd bullet point, deleted POS 11 or 24. Notification given 10/1/19 for effective date 12/2/19. (an)
9/22/20	New medical policy. Extensive revisions to "Description" and "Service Guidelines" sections. Added "Billing Guidelines" section. Cytology codes 88104-88199 and Pathology Consultation codes 80500-80502 added to "Billing/Coding/Physician Documentation Information" section. "Scientific Background and Reference Sources" section updated to "Reference Sources". Routine policy review. Medical Director approved 12/2020. Notification given **9/22/20** for effective date **3/9/21**. (bb/eel)
3/31/21	Graphic removed to align with policy guidelines. (jd)
7/1/21	Replaced the term "Blue Cross NC" with "Blue Cross and Blue Shield of North Carolina (BCBSNC) throughout the policy. Minor revisions to Description section. Replaced the term "guidelines with "requirements" within the policy statement. Removed the following statement from under the heading – Billing Guidelines: "INFORMATION IN THIS CHART HIGHLIGHTS THE MOST FREQUENTLY USED PLACED OF SERVICE SCENARIOS" and replaced with "The chart below is how pathology claims must be filed in order to process and pay appropriately." Moved the term "Reference Laboratory" and corresponding definition under the "DEFINITIONS" table. Under the Billing/Coding section, replaced the statement "This policy may apply to the following codes" with "Applicable codes for this policy are for reference only and may not be all inclusive"; added the Clinical pathology code ranges. Paragraph under the Policy Implementation/Update Information section revised for policy cohesion and clarity. Notification given 4/20/21 for effective date 7/1/21 Medical Director review 4/2021. (jd)
9/**7**/21	Specialty Matched Consultant Advisory Panel 7/2021. Medical Director review 7/2021. (jd)

research of current medical literature and review of common medical practices in the treatment and diagnosis of disease. Medical practices and knowledge are constantly changing and BCBSNC reserves the right to review and revise its medical policies periodically.

Specific Use for Place of Service and Practice Type Definitions

- **Private Pathology:**
  - CMS specialty code 19 or 22 and taxonomy code 207ZP0102X must be listed as part of the practice
  - Practice is directly contracted with a hospital(s) to perform inpatient surgical pathology and is the medical director for the hospital clinical laboratory
  - Less than 75% of the practice's Professional billing is in the office-based outpatient pathology space. "Office-based is defined as patient specimens that originate in the non-facility (non-hospital) setting such as a dermatology office that is not associated with the hospital or health system to which the pathology practice is under contract.
  - If the practice bills for any clinical pathology CPT codes, then the practice is an independent laboratory and must contract as an ancillary provider.
- **Independent Laboratory:**
  - Greater than 75% of the practice's Professional billing is in a non-hospital setting.
  - The lab also performs testing defined as clinical pathology vs only surgical pathology
- **Pass Through Billing**
  - Provider purchases services, Technical and Professional, from a histology lab or pathology provider
  - Providers marks up the cost of the services and bills the health plan