American Hospital Association™
Advancing Health in America

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March 26, 2024

Ms. Anne Docimo, M.D.
Chief Medical Officer
UnitedHealth Care
P.O. Box 1459
Minneapolis, MN 55440-1459

Dear Dr. Docimo:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, I write to address UnitedHealthcare's (UHC) implementation of its Molecular Pathology Reimbursement Policy on April 1, 2024. Due to the substantial administrative burden and potential reimbursement disruption that the policy would create for providers, particularly at a time in which revenue cycle resources are alarmingly strained due to the Change Healthcare cyberattack, we urge UHC to reconsider implementation of this policy, and at a minimum to postpone the effective date until later in the year.

This policy will require the submission of a DEX Z-Code obtained from the DEX® Diagnostics Exchange Registry for claims to be considered for reimbursement. This code would be **in addition to** the applicable CPT code, which is the statutorily recognized coding set for reporting medical services for reimbursement. As a result, the policy would create additional UHC-specific coding outside of the standard CPT process, resulting in potential reimbursement denials for claims that meet all HIPAA-mandated CPT and claim formatting requirements. The AHA believes that the CPT process, rather than plan-specific auxiliary reporting requirements, should be the basis of reporting a clinical service on claims. Anything beyond this will require idiosyncratic UHC claims processes that will create enormous administrative burden and lead to unnecessary claim denials for medically necessary and appropriate lab services. In addition, the UHC policy does not specifically justify the need or underlying rationale for this new reporting process, which is a glaring omission considering the substantial disruption that this new requirement could have on provider operations and claims payment. However, to the extent that the current CPT codes are insufficient or that UHC believes that additional codes are required, UHC should work with the CPT Advisory Panel to update their guides.

The AHA also has significant concerns about the burdensome registration process associated with this policy. On February 1, 2024, UHC alerted providers that, "Beginning April 1, 2024, UnitedHealthcare commercial plans will require DEX Z-Codes® for certain

molecular diagnostic test services on facility and professional claims for the claims to be considered for reimbursement." To comply with these policies, providers must complete a substantial registration process involving the submission of a lab code, assignment of a Z-code, and UHC issuing a corresponding "recommended CPT code" for the lab – a process that UHC estimates takes approximately 60 days. In other words, hospitals would need to have initiated the registration process on nearly the same date UHC announced the change in policy. It is a wholly inappropriate expectation for a complex organization like a hospital to be able to understand and assess the new policy, make an organizational determination regarding participation, and initiate the registration process. Further complicating the timeline are the tremendous administrative resources required to apply for a specific code for each applicable lab test, particularly if UHC determines that they require additional documentation based on their review of test complexity.

This policy also would undermine UHC's efforts "[t]o help reduce the administrative burden on health care professionals and their staff." Specifically, in August 2023, UHC announced its intention to reduce prior authorization requirements by 20%and identified a set of CPT codes for which they would no longer require prior authorization. This list included a large number of molecular and genetic testing codes. Unfortunately, this soon-to-be effective policy to require Z-codes erodes any potential time or cost savings that could have been realized from the removal of prior authorization for molecular pathology codes, simply shifting the burden from prior authorization to other points in the process.

Furthermore, the implementation of this policy could not come at a worse time for providers throughout the country. Hospital and health system revenue cycle teams have been overwhelmed responding to the impact of the Change Healthcare cyberattack, which has upended many of the electronic transactions on which providers rely resulting in both substantial cashflow and patient care disruptions. Navigating this unprecedented attack has diverted resources away from other billing activities, which would include any registration, systematic implementation, and workflow updates needed to operationalize this policy. Implementing an unnecessary and burdensome policy that could further restrict provider revenue for patient care services – and would require extensive administrative processes to prepare and implement – as the health care system continues reeling from the wake of unprecedented cyber crisis would be irresponsible.

For these reasons, **the AHA urges UHC to reconsider implementation of the revised Molecular Pathology Reimbursement Policy until further notice.** Please contact me if you have questions, or feel free to have a member of your team contact Terrence Cunningham, AHA Director of Administrative Simplification Policy, at tcunningham@aha.org.

Sincerely,

/s/

Molly Smith
Group Vice President, Public Policy