

## Labs Overlapping with Facility

### Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plans supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

### Policy Overview

Molina Healthcare has established guidelines to determine reimbursement responsibility when the same laboratory service is reported by both a facility and an Independent Laboratory or Reference Laboratory for the same member on the same day. This policy ensures clarity in billing practices and prevents duplicate payment for the same service.

### Reimbursement Guidelines

When both a facility and an Independent Laboratory or Reference Laboratory report the same service for the same member on the same day, reimbursement will be issued only to the facility. This rule does not apply to claims billed with Modifier 26 or to anesthesia-related claims, which remain eligible for reimbursement according to applicable guidelines.

### Supplemental Information

#### Definitions

Term	Definition
CMS	The Centers for Medicare & Medicaid Services. The Centers for Medicare & Medicaid Services (CMS) is a federal entity under the United States Department of Health and Human Services (HHS). It oversees the Medicare program and collaborates with state governments to manage Medicaid, the Children's Health Insurance Program (CHIP), as well as health insurance portability regulations.
Modifier 26	Modifier 26 tells the payer that a provider is billing only for the professional part of a service — like reading and interpreting a test — not for the equipment or staff. It's most often used when one provider interprets a test done at another facility.

## State Exceptions

State	Exception
Idaho	Does not apply to Idaho providers
Texas	Does not apply to Texas providers
Utah	Does not apply to Utah providers

## Documentation History

Type	Date	Action
Initial Creation Policy	09/08/2023	New Policy
Revised Date	12/16/2024	Updated Policy with corrected template and verified reference was still valid
Revised Date	08/12/2025	Added Policy Overview section; expanded Reimbursement Guidelines section; added Definitions section; Added information to State Exceptions section; refreshed hyperlinks; added Coding Disclaimer; updated template
Revised Date	08/19/2025	Updated Initial Creation Policy

## References

This policy was developed using:

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Reference	Link
CMS	<a href="#">Medicare Claims Processing Manual, Chapter 16 - Laboratory Services, Issued January 4, 2024, Section 40.3</a>

**\*CODING DISCLAIMER.** Codes listed in this policy are for reference purposes only and may not be all-inclusive. Deleted codes and codes which are not effective at the time the service is rendered may not be eligible for reimbursement. Listing of a service or device code in this policy does guarantee coverage. Coverage is determined by the benefit document. Molina adheres to Current Procedural Terminology (CPT®), a registered trademark of the American Medical Association (AMA). All CPT codes and descriptions are copyrighted by the AMA; this information is included for informational purposes only. Providers and facilities are expected to utilize industry standard coding practices for all submissions. When improper billing and coding is not followed, Molina has the right to reject/deny the claim and recover claim payment(s). Due to changing industry practices, Molina reserves the right to revise this policy as needed.