



## BILLING POLICY

### 1. The Billing Process:

Ohana Laboratories (OL) performs specialized toxicology as well as genetic (DNA) tests on patient samples. Once performed the results are reported in a physician friendly format to the ordering physician. At the same time OL submits the claim to the patient's respective insurance provider (Payer).

The factors that affect a payer's decision to reimburse these specialized tests include the patient's diagnosis, the payer's policy or specific coverage determination to reimburse such tests.

Once the claim has been submitted to the payer, OL will send a welcome letter to the patient to notify that the tests has been performed and a claim has been submitted to their insurance company for reimbursement.

### 2. Communications with Patients

#### 2.1 Explanation of Benefits (EOB) statement

Once the claim has been received by the payer, the claim is processed and an **Explanation of Benefits (EOB) statement** is sent to the patient showing the services provided by OL. It should be noted that

2.1.1 The EOB is not a bill

2.1.2 The EOB is a statement explaining the charges paid by the payer for the testing services provided by OL

2.1.3 The EOB will indicate all services covered by patient's insurance policy on the claim

2.1.4 Patients' out-of-pocket liability will be based on the policy coverage and the status of their deductible.

#### 2.2 Error Processing (EP) Letters:

Patients and the ordering physician will receive EP Letters from OL requesting missing demographics information or information related to insurance policy such as identification number, date of birth, full name, specific diagnosis code, ordering physician information, medical necessity etc.

## **2.3 Medical Necessity Letters**

The definition of “Medical Necessity” by Medicare and various insurers states that the item or service be “reasonable and necessary” for the diagnosis or treatment of illness or injury to be eligible for payment. Not only Medicare, but other payers all request such information. Unless the requested information is provided the claims will not be processed expeditiously and will be delayed.

## **3. Denials**

### **3.1 Insurance Denies Reimbursement for Testing:**

If a payer denies paying the claim, or pays only a portion, OL will submit an appeal on patient’s behalf to the payer. OL is committed to completing up to three levels of appeals, including independent medical review if available in patient’s state. OL may ask the patient and the physician to assist in the process as needed. Depending on the payer this can be a very lengthy process. OL will keep the patient notified as needed during the process.

### **3.2 Insured Patients are Billed Outstanding Balance, Deductibles and Co-insurance as Required by Their Payer:**

Payers require OL to bill patients for any applicable deductible, outstanding balance, and co-insurance, as reflected on EOBs or similar statements furnished by the payer. These amounts are determined by the patient’s insurer not by OL. Patients will receive a patient statement from OL which will indicate the balance due for the testing services provided.

Payers require OL to register with them at first and then process applications to get credentialed. When credentialed a contracted reimbursement rate is generally established with the payer.

OL bills patients for the amount designated by their plan as the patient’s responsibility, including any balance remaining on the bill if the payer pays less than the “usual and customary,” “reasonable,” or “allowable” charge (collectively termed the “Allowable Charge”) for the services provided. The payer will determine the Allowable Charge on the EOB. If the full Allowable Charge is paid to OL by the payer, patients will not be billed by OL.

## **4. Insurance Payments Made Directly to Patients**

Some payers have a policy to send reimbursements directly to the patient for the testing services rather than to OL. If a patient receives such a payment from their insurance company for our genetic testing, it is the patient’s responsibility to pay Ohana Laboratories within ten days of receipt of that payment.

## **5. Patient Self-paying for the Test**

If the patient's insurance plan deems this testing as research or investigational and the patient believes the clinical benefits outweigh the financial cost, the patient can pay out-of-pocket for testing.

## **6. OL Contact Information**

Please send all payments to:

Ohana Laboratories  
677 Ala Moana Blvd. Suite 320

Honolulu, HI 96813

Customer Service:

Hours: 9:00 AM to 5:00 PM

Phone: (808) 451-3369

Fax: (808) 451-3424

Email: [cs@ohanalab.com](mailto:cs@ohanalab.com)