

BULLETIN

Michigan Medicaid Policy (MMP) | Health Services

Bulletin Number: MMP 25-32

Distribution: Independent Clinical Laboratories, Medicaid Health Plans, Integrated Care Organizations

Issued: August 29, 2025

Subject: Billing for Services Performed by Reference Laboratories Under Arrangement with Enrolled Independent Clinical Laboratories

Effective: October 1, 2025

Programs Affected: Medicaid, Healthy Michigan Plan, MICHild, Children's Special Health Care Services, Maternity Outpatient Medical Services (MOMS)

This policy updates reimbursement guidelines for Medicaid-enrolled independent clinical laboratories that refer a specimen to another laboratory for testing. The information in this bulletin is effective for dates of services on or after October 1, 2025

Although Medicaid payment is generally made to an independent clinical laboratory only for those tests that it performs, Medicaid will align billing allowances for enrolled independent laboratories that must refer a specimen to another laboratory for processing to those granted to enrolled hospital laboratories. Effective for dates of services on or after October 1, 2025, Medicaid-enrolled independent laboratories will have the option to bill Medicaid for arranged services provided by a reference laboratory under the following conditions:

- The reference laboratory holds the required Clinical Laboratory Improvement Amendments of 1988 (CLIA) certification and state licensure, if required, to perform the test;
- The enrolled referring laboratory and the reference laboratory have a contractual agreement to provide such services, ensuring compliance with federal and state laws (i.e., Anti-Kickback Statute [AKS], Eliminating Kickbacks in Recovery Act [EKRA], Stark, and False Claims Act);
- The referring laboratory is responsible for reimbursing the reference laboratory for the services; and
- If the service requires prior authorization (PA), the referring laboratory must request and receive PA approval for the test to be performed by the reference laboratory. The PA number must be included on the claim.

Medicaid defines a referring laboratory as an enrolled laboratory that receives a specimen to be tested and refers that specimen to another laboratory for performance of the test. A reference laboratory is a laboratory that receives a specimen from another laboratory for testing and performs the test.

An independent laboratory that elects to bill for a referred service performed by a reference laboratory must report the service with modifier 90 and include both the billing's and the performing reference laboratory's name, NPI number, and address and performing laboratory's CLIA number in the appropriate claim loop or field. If an electronic claim submission contains both referred and non-referred tests, the claim must include the reference laboratory's information in loop 2420C on the referred test lines. The referring laboratory should bill for referred and non-referred tests separately when utilizing a paper claim format.

The referring laboratory may not charge Medicaid more than it has paid the reference lab for performing laboratory testing. Claim submission on a specimen referred to and processed by another laboratory constitutes acceptance of fiscal responsibility, including recoupment, for monies paid for the reference testing and adherence to Medicaid laboratory policy.

Practitioner office and clinic laboratories not enrolled as independent laboratories are prohibited from billing for referred tests. Physicians or other qualified health care professionals reporting laboratory services with modifier 90 are not eligible for reimbursement.

Manual Maintenance

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



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Health Services