Trustees,

As you know, we have been discussing how to address issues involving out-of-network laboratory claims.

By way of background, several years ago, the 730 Health Fund adopted a rule providing that laboratory services are covered only when performed by Labcorp, Quest Diagnostics, or Ameripath. Laboratory services performed by any other laboratory of facility are not covered by the Plan.

Over time, the Fund has received a growing number of appeals involving lab testing performed in the office of an in-network provider. These claims, which typically involve point-of-care diagnostic tests such as rapid strep, COVID-19, and influenza testing are denied under the Fund's current laboratory coverage rule. However, the Board has frequently (if not, always) granted these appeals. Given the number of appeals and the Board's consideration of these claims on a case-by-case basis, the Board directed us at the last meeting to develop options for addressing the issue.

We have identified two potential approaches for your consideration.

Option 1: Cover All Lab Services Performed at an In-Network Provider's Office

Under this approach, lab services performed in the office of an in-network provider would be covered by the Fund, even if the services are not performed by Labcorp, Quest Diagnostics, or Ameripath.

Cigna has provided the following estimate of the potential cost impact of this benefit change:

Year	Total Charges Billed for Lab Claims at In-Network Provider Office	Estimated Maximum Amount Fund Would Have Paid if Covered	Number of Claims
2025	$99,913.09	$32,727.73	355
2024	$49,210.72	$14,012.43	303

Option 2: Cover Only Specific Lab Services Performed at an In-Network Setting.

Under this approach, the Fund would adopt a defined list of covered laboratory services. Associated has compiled the attached list of commonly utilized outpatient laboratory services that could be covered when performed at either 1) an in-network facility or 2) an in-network provider office.

This option is narrower than Option 1. Rather than covering all lab claims performed at an in-network provider, the Fund would only cover the services included on the approved list when performed at an in-network provider facility or office. At this time, we have not yet been able to determine the estimated cost of this benefit change.

We look forward to discussing these options with you at our meeting on Thursday.