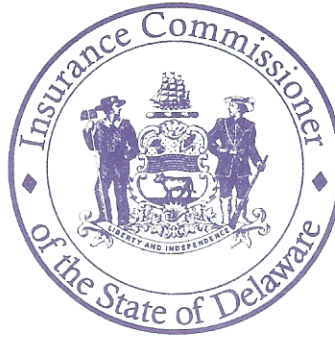


Matthew Denn
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DOMESTIC/FOREIGN INSURERS BULLETIN NO. 20

TO: ALL HEALTH INSURERS PROVIDING INDIVIDUAL OR GROUP HEALTH COVERAGE IN DELAWARE

RE: ROUTINE TESTING FOR NEWBORN INFANTS PURSUANT TO 18 Del. C. §§ 3335, 3550

DATED: May 22, 2006

The Department of Health and Social Services ("DHSS) requires newborn screening for certain metabolic and other disorders pursuant to 16 *DE Admin Code* 4107 [8 *DE Reg.* 100 (7/1/04)]. By virtue of 18 *Del. C.* §§ 3335, 3550, insurance coverage for such testing is mandated for all policies of health insurance issued in or for delivery into the State of Delaware.

Prenatal, perinatal and newborn care providers are responsible for collecting and handling the screening specimens for the tests designated by DHSS on the DELAWARE NEWBORN SCREENING DISORDER LIST. The specimens are processed at the State's Public Health Laboratory ("the laboratory"). The laboratory is self-sufficient and receives no State funding. The laboratory bills the hospitals, birthing centers, etc. for the processing. The referring agency is directly responsible to the laboratory for the processing fee, currently \$64.00. The laboratory does not bill third party payers, insurers or the patient.

For hospitals the billing is not a problem since the test can be completed while the baby is still in the hospital and the costs can be incorporated into the hospital bill and submitted for payment to the patient's insurer. That is not the case for birthing centers. Babies born at a birthing center are usually discharged within six hours after birth. The quick discharge means that the baby cannot be tested accurately prior to discharge. The usual procedure is for the birthing center to take the specimen during the required home visit on the third day following birth. Generally the fee for the patient includes the laboratory's fee, currently \$64.00. For non-hospital tests, there is no option for the provider to use an independent laboratory since the law requires that only the State's Public Health Laboratory can process the specimen and make the report.

Because the test is required by law and the law requires that the test can be processed only by the State's Public Health Laboratory (which does not bill insurers, third party payers or patients), the failure or refusal by an insurer to reimburse a birthing center or similar outpatient facility on the same basis as it reimburses an inpatient facility, is a violation of the mandated coverage required by 18 *Del. C.* §§ 3335, 3550. The regular business practice by an insurer of treating the facilities differently for purposes of payment or reimbursement would constitute a violation of 18 *Del. C.* § 2304(16).

Effective immediately, insurers shall be required to reimburse any facility taking a required post birth specimen for testing at the laboratory on the same basis irrespective of the nature of the facility or whether the test is done on an inpatient or outpatient basis. This requirement shall apply to all specimens and tests taken and performed as of the date of this bulletin as well as for any specimen taken or test performed within the time allowed for claims to be presented under the applicable health coverage policy.

This bulletin shall take immediate effect and shall remain in full force and effect until rescinded or by operation of law.





Matthew Denn
Insurance Commissioner