



FREQUENTLY
ASKED
QUESTIONS

GREATLAKES LABORATORY NETWORK

Frequently Asked Questions



What is the GreatLakes Laboratory Network?



The GreatLakes Laboratory Network (GLN) is an alliance of over 40 Michigan and Northern Indiana hospital based laboratories.



Why was GLN formed?



Prior to 1998, contracts between large commercial laboratories and insurance companies prevented hospital laboratories in Michigan, and elsewhere, from providing services to patients whose laboratory test orders originated in physicians' offices (considered *Outreach* or “*Non-Patient*” work).



Note: Non-patient, as defined by Medicare, includes specimens either couriered to a lab or drawn at patient service centers, including those located on hospital campuses, when no other outpatient services are rendered by a physician or non-physician practitioner.



Why were hospital labs excluded from contracts for non-patient work?



Unlike other hospital services (radiology for example) hospital laboratories have outpatient competition from national chain laboratories. Insurance companies carved out laboratory services and negotiated exclusive contracts with these national reference laboratories for the exclusive right to perform non-patient laboratory testing. In doing so the insurance companies benefited by receiving a lower price for the testing, simplified negotiations, and reduced the paperwork that was involved in processing small dollar claims from a large number of independent facilities.



What is the purpose of GLN?



The purpose of GLN is to secure the ancillary contracts from which hospital laboratories were excluded due to limited geographic coverage areas and the development of the national reference laboratories. GLN brought hospitals together to offer single-source contracting, billing, quality and utilization data, and to provide a viable alternative to the national testing laboratories for insurance companies.



I have heard the term “JVHL” used interchangeably with GLN. Are they the same thing?



No. The Joint Venture Hospital Laboratories (JVHL) network is a separate network comprised of over 100 hospital-affiliated laboratories. JVHL was formed about the same time as GLN for similar purposes. GLN originated on the West side of Michigan but now encompasses member hospitals throughout the state (including the UP and Northern Indiana). JVHL originated on the Southeast side of Michigan but now encompasses member hospitals throughout the state (including Northern Ohio).



If they are not the same thing, why do I hear both terms?



As GLN and JVHL secured their respective regional contracts they began negotiations for contracts that required state-wide coverage. It became clear that GLN and JVHL would need to combine their respective geographic coverage areas in order to provide the necessary state-wide coverage requested by the insurance companies. In 2004, JVHL and GLN entered into a Joint Operating Agreement (JOA) for the purpose of expediting the contract process and improving reimbursement for its members, while maintaining autonomy as networks. Since JVHL had a robust claims administration system and data repository, it was decided to require GLN members to submit claims for these contracts through JVHL as well as submit NCQA (HEDIS) data required by the plans through JVHL.



What is the major difference between the two networks?



While the missions of the JVHL and GLN are closely aligned, there are several structural and organizational distinctions. Specifically, GLN was set up using the “Messenger Model” for contract negotiations. Antitrust laws prohibit direct discussions among network members regarding price. The “Messenger Model” is a neutral third party mechanism which is used to determine network-wide prices for contracts. There are also provisions within GLN’s Network Participation Agreement (NPA) which allow for a member to negotiate independently for a payer agreement which GLN is also negotiating. Members also have the option to make their own separate decisions about whether to accept or reject a payer’s proposal which GLN has secured. The latter option, referred to as the “Power of the Pen”, is not an option for JVHL members who must participate in all contracts negotiated and approved by JVHL’s Executive Committee.




How has GLN benefited from the relationship with JVHL?



GLN’s affiliation with JVHL provides the single point of contact for contracting and billing and has made the networks more attractive to payers. It also provides several important advantages to GLN members including: 50% reduction in administrative costs; retention of the power to make independent decisions on their participation on a contract by contract basis; and two GLN voting seats on the JVHL Executive Committee which gives GLN’s small and outstate members a

voice. Through the JOA, GLN members have access to 26 managed care contracts covering 4.7 million covered lives for outpatient and physician office laboratory services that they previously did not have access to. Without the networks, these covered lives would be obligated to utilize the national testing laboratories (Quest or LabCorp) for these services.

 **Note:** The chart located at the end of this document lists the covered lives by plan. BCN continues to represent the largest group, followed by United Health Care and Aetna



How have the combined networks benefited from the JOA?



Due to the JOA, JVHL and GLN have access to state-wide contracts that wouldn't have been available independently. Prior to the formation of the networks, 90% of HMO covered lives were contracted *exclusively* to Quest or LabCorp for outreach laboratory services (non-patient). Today, thanks to the networks efforts, hospital labs have contracted access to over 93% of commercial HMO covered lives, 88.3% of Medicaid HMO covered lives and 93.1% of Medicare HMO covered lives.



How does my hospital benefit from membership in GLN?



As stated above, GLN members have access to non-patient contracts that they previously did not have access to.

- Access to these contracts benefits local hospitals and communities by helping them strengthen their outreach programs, increase test volumes which helps utilize excess capacity and decrease total cost of inpatient testing, increase revenue, and reinvest in local healthcare.
- GLN member hospitals are able to offer integrated clinical laboratory services across inpatient, outpatient and physician office care settings. Contracted health plan outreach testing remains within the health system, giving physicians access to the complete clinical data set to maximize utility in the continuum of patient care by allowing the treating physician to see the whole history of the patient more easily.
- Member hospitals have been able to continue to serve their traditional client base, improve patient continuity of care by performing over 97% of testing locally, and reduce episode of care costs through faster turn-around times, reducing duplicate testing and access to local pathologist consultation.
- Through their partnership with JVHL, GLN members are able to provide the payers' required HEDIS information through a single HL7 stream to JVHL rather than having to establish separate data feeds to each payer.
- The health plans award financial incentives and publish provider scoring for the physicians who refer lab services to your facility based in part on test results that are reported to JVHL. Reporting data strengthens your relationship with these physician groups and keeps your services competitive with the commercial laboratories.
- Positions member Hospitals for successful participation in HIE's, ACO's.

2013 JVHL Payer Enrollment Chart

The chart represents each of the Plans covered by GLN/JVHL Laboratory Services Agreements and the number of covered lives by Plan. At the time these statistics were collected, United Physician, Molina MI Child and Community Care Associates each had less than 1500 covered.

