Aetna Better Health® of Texas

Provider Notice: PEMS based CLIA Validation for Claims Processing & Timelines

HHSC's Provider Enrollment Management System (PEMS) contains essential information, including laboratory certification codes (CLIA Specialty and Subspecialty). HHSC requires that all provider types and specialties billing laboratory services must have their CLIA certification information recorded in PEMS before MCO can process and pay claims for those services regardless of whether it appears in the Centers for Medicare & Medicaid Services (CMS) file or in the MCO's internal system. Claim will be denied if any of these validations fail –

i) No CLIA in PEMS
ii) Address submitted on claim doesn't match provider's CLIA associated address in PEMS
iii) Provider's CLIA Certification Type doesn't allow for services billed
iv) QW modifier not present (for providers with certification level of Waiver and PPMP).

HHSC has revised the implementation timeline for making necessary changes to the MCO claim systems to accommodate the CLIA information.

- As of December 01, 2025, HHSC will provide MCOs 90 days to build a soft edit. The soft edit would not deny the CLIA claim, but it should be set up to warn and notify the provider if they bill for a procedure without appropriate CLIA certification to update their missing CLIA information in PEMS.
- By dates of service (DOS) March 01, 2026, HHSC will require MCOs to implement at minimum a 90-day soft edit.
- With DOS starting June 01, 2026, all MCOs are required to have hard editing in place to start denying claims if a provider bills for a procedure without appropriate CLIA certification.

Please note that March 01, 2026, and June 01, 2026, implementation dates for the soft launch and hard launch are based on claim 'DOS,' so all MCOs are aligned, and the application of the requirements does not impact any adjusted claims with DOS.

HHSC expects that MCO claims systems be set up to link up the type of CLIA certification and billable procedure codes to determine how the procedures will process, depending on CLIA waived status and the provider's CLIA certification type. All providers that bill laboratory services must have CLIA certification for the procedure code being billed. If a provider bills for a procedure without appropriate CLIA certification, reimbursement must be denied.

Below are details as provided by HHSC directly on the scope of this validation, how to implement and provider's expectations in managing their CLIA data in PEMS.

- Under Texas Medicaid policy, the CLIA certification requirement applies to all provider types and specialties billing laboratory procedure codes (including waived, moderate, and high complexity tests). No provider type exceptions. CLIA requirements are federally mandated and apply to any entity or individual performing and billing laboratory testing. This includes physicians, clinics, hospitals, FQHCs, RHCs, independent labs, and any other specialty submitting lab CPT/HCPCS codes.
  Policy References:
    a. Texas Medicaid Provider Procedures Manual (TMPPM), Laboratory Services Handbook, Section 1: CLIA
- Providers can update their CLIA certifications in the Provider Enrollment and Management System (PEMS) by creating a PEMS Maintenance License request and clicking the License/Certification/Accreditation page. CLIA certifications are practice location specific, there should be a separate CLIA number for each location, and provider must associate the CLIA certifications to their programs associated to their practice location. Note: If a provider is within their revalidation window, they will not be able to create and submit a PEMS Maintenance License request and will need to update their CLIA certification through a Revalidation request in PEMS. Once the request has been approved the CLIA updates will reflect in the PEMS MPF. Provider records that have been updated by 9 P.M. CST in PEMS will appear in the next Master Provider File (MPF) that is sent overnight. For more information about updating CLIA certifications in PEMS, refer to www.tmhp.com/topics/provider-enrollment/pems/licenses

- HHSC requires that all provider types and specialties billing laboratory services must have their CLIA certification information recorded in PEMS before MCOs may process and pay claims for those services. MCOs must deny claims for laboratory services if the CLIA certification is not in PEMS, regardless of whether it appears in the CMS file or in the MCO's internal system. HHSC policy relies on PEMS as the authoritative source for CLIA certification verification for claims adjudication. A clean claim per the Uniform Managed Care Contract (UMCM) "A Clean Claim" is submission with all required data allowing the MCO to adjudicate and accurately report it. A claim submitted without CLIA certification is considered not a clean claim because it lacks critical data element in PEMS required for accurate adjudication. If a claim denied for missing CLIA information was not a clean claim at the time of submission, HHSC would not expect interest to accrue during that period. Interest is only owed on clean claims that were not paid within the contractual deadline of 10 or 30 days. Once the provider enters the CLIA certification into PEMS, the claim becomes a clean claim at that point; if the provider requests the MCO to adjust or resubmit and the MCO fails to pay within the required contract timeframe, interest may then apply from the clean-claim date forward.

Policy References:

a. Texas Medicaid Provider Procedures Manual (TMPPM), Laboratory Services Handbook, Section 1: CLIA requirements for all providers performing laboratory testing.

b. Uniform Managed Care Manual (UMCM) §8.1.4.3: MCO responsibility to verify provider enrollment and certification requirements in PEMS for payment.

c. 42 CFR §493: Federal CLIA regulations applying to all entities performing laboratory testing.

- Providers can reference the Texas Medicaid Providers Manual (TMPPM) at www.TMHP.com. This can be found under the Radiology and Laboratory Services Handbook: 2.1.1 Clinical Laboratory Improvement Amendments (CLIA) and 2.1.2 CLIA Requirements.

- If a lab has a Certificate of Waiver or a Certificate of PPMP, then the QW modifier is mandatory for procedures included on the CMS waived list. Providers with certain certification types must add the QW modifier to the procedure code for all applicable CLIA waived or PPM tests they submit for reimbursement. The QW modifier indicates that the diagnostic lab service is a CLIA waived test, and the provider must hold at least a Certificate of Waiver to legally perform clinical laboratory testing. This certification ensures compliance with the requirements for submitting waived tests.

- The QW modifier is not restricted to any single provider or certification. It is used by any provider who has a CLIA certificate of waiver to indicate that a test is performed at a waived complexity level. This modifier is mandatory for procedures included on the Centers for CMS' waived list, with a few exceptions. However, if a lab has a CLIA certification of compliance or has Full/Accredited Certification, the QW modifier is not required. Those levels of certification allow labs to perform moderately and/or high complex tests, while the certificate of waiver is specifically for CLIA-waived tests. It is essential for providers to verify the type of CLIA certification their lab holds and to use the appropriate modifier accordingly to ensure proper claims payment and avoid denials.
- HHSC expects that MCO claims systems be set up to link up the type of CLIA certification and billable procedure codes to determine how the procedures will process, depending on CLIA waived status and the provider's CLIA certification type.

Type of CLIA Certification	Billable Procedure Codes
Full/Accredited Certification	May bill any laboratory procedure, regardless of modifier that is required for other certification types
Waived Certification	May only bill CLIA-waived procedures (e.g., codes that do not require the QW modifier to be designated as CLIA waived tests, and procedures with the QW modifier)
PPMP (Partial) Certification	May only bill for Provider-Performed Microscopy Procedures, CLIA-waived procedures (e.g., codes that do not require the QW modifier to be designated as CLIA waived tests, and procedures with the QW modifier)
No CLIA Certification on file	May only bill procedures for which a CLIA certificate is not required

    - The laboratory is not required to declare specialties or sub-specialties on these types of certificates.
        - CLIA Certificates of Waiver
        - Provider Performed Microscopy Procedures (PPMP)
        - Certificate of Registration (Precursor to Compliance or Accreditation)
    - Only labs that have been found in compliance by a certification survey, either by Texas HHSC (Certificate of Compliance) or an equivalent accrediting body (Certificate of Accreditation) will display the LC codes, and only for non-waived testing.
    - The full list of CLIA certification specialty type codes from CMS can be found in the following link: https://www.cms.gov/Regulations-and-Guidance/Legislation/CLIA/Downloads/lccodes.pdf
- If the certification is not in PEMS, the system treats the provider as not authorized to perform CLIA waived testing, so the claim will deny for "missing or invalid CLIA certification." The MCO expectation is that MCOs are contractually required to follow Medicaid's provider enrollment and certification verification rules. The denial would be correct until the provider updates their CLIA waiver in PEMS. Once the CLIA waiver is added in PEMS and effective for the date of service, claims can be reprocessed.
- Servicing address submitted on claim must match provider's CLIA certification address in PEMS. Note that abbreviations are acceptable, and the suite number is not required to match.

- CLIA Related Denials: On or after 6/1/2026 dates of service, Aetna will periodically sweep for claims that were previously denied but are payable now for missing CLIA in PEMS and address non-matches. Such claims will be reprocessed automatically, and providers do not have to submit an updated claim. Note that this will only occur if the -
    - Provider updates PEMS and links CLIA number with their NPI
    - Provider updates PEMS and updates address to match what was submitted on claim

If the information on claim has to be updated, then provider must submit a new claim.

We want to partner with providers on any concerns about this process. Do not hesitate to contact your assigned Aetna Better Health of Texas Provider Engagement Representative with any questions or comments.

CHIP
Bexar area **1-866-818-0959 (TTY: 711)**
Tarrant area **1-800-245-5380 (TTY: 711)**

STAR
Bexar area **1-800-248-7767 (TTY: 711)**
Tarrant area **1-800-306-8612 (TTY: 711)**

STAR
Kids Dallas and Tarrant areas **1-844-787-5437 (TTY: 711)**

Thank you for your valued partnership in caring for our Aetna Better Health Members.

Sincerely,
Provider Engagement and Chief Medical Officer
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