

Date: June 4, 2018

To: CPL Client

From: Compliance Department

Re: Annual Notice to Physicians

Clinical Pathology Laboratories (CPL) is providing annual notification to our clients of the Medicare policies governing the ordering and reimbursement of laboratory tests. CPL is committed to promoting awareness of and adherence to these policies. In accordance with the Office of the Inspector General's (OIG) Compliance Program Guide for Clinical Laboratories, we are providing the following information about Medicare requirements.

Medicare Medical Necessity Policy

Medicare will only pay for the tests that meet the Medicare definition of "medical necessity". Medicare may deny payment for a test that the physician believes is appropriate, such as a screening test, but which does not meet the Medicare definition of medical necessity.

Medicare Laboratory National Coverage Determinations (NCDs) and Local Coverage Determinations (LCDs)

Coverage determination policies define the medical conditions through the inclusion of a list of ICD (diagnosis) codes for which these tests are covered or reimbursed by Medicare. HIPAA regulations require ICD code(s) to be present on each claim filed. These codes must also be documented in the patient's medical records.

NCDs: <https://www.cms.gov/Medicare/Coverage/CoverageGenInfo/LabNCDsICD10.html>

LCDs: <https://www.novitas-solutions.com> Novitas Solutions Jurisdiction H

Frequency Limitations for Laboratory Tests

Certain laboratory tests have specific frequency limitation requirements. The limitations may apply to tests from the laboratory NCDs and LCDs.

Medicare Preventive Screening Laboratory Tests

Certain preventive screening laboratory tests are covered services for Medicare beneficiaries. Benefit coverage is specific for each service, covered diagnosis codes(s), coverage requirements, and frequency limitations.

<https://www.cms.gov/Medicare/Prevention/PrevntionGenInfo/medicare-preventive-services/MPS-QuickReferenceChart-1.html>

American Medical Association (AMA) Organ or Disease-Oriented Panels

The (AMA) panels were developed for coding purposes only and should not be interpreted as clinical parameters. Organ and disease-oriented panels will only be paid by Medicare when all tests within the panel are deemed medically necessary by Medicare.

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c16.pdf>

Section 90.2 – Organ or Disease Oriented Panels

SEE REVERSE SIDE

Reflex Testing

Reflex testing occurs when initial test results are positive or outside normal parameters and indicate that a second related test is medically appropriate or required by state, regulatory or accreditation standards.

Advance Beneficiary Notice of Non-Coverage (ABN)

- Limited Coverage – An ABN is required if the diagnosis is not covered
- Frequency Limit - An ABN is required at each encounter for frequency limited tests
- Non-Coverage – An ABN is required for experimental or research use tests or tests designated by Medicare as non-covered

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html>

Manual 100-04 Medicare Claims Processing Manual

Chapter 30 Financial Liability Protections

Section 50 Form CMS-R-131 Advance Beneficiary Notice of Non-Coverage (ABN)

2018 Medicare Clinical Laboratory Fee Schedule

Effective January 1, 2018, CLFS rates are based on weighted median private payor rates as required by the Protecting Access to Medicare Act (PAMA) of 2014

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Clinical-Laboratory-Fee-Schedule-Files.html>

Additional details can be found at PAMA regulations.

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/PAMA-Regulations.html>

Medicare Part B National Correct Coding Initiative (NCCI) Edits

The Medicare NCCI was implemented to promote national correct coding methodologies and to control improper coding leading to inappropriate payment.

<https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/index.html>

Contact Information

The Medical Directors and other pathologists are available to discuss appropriate testing and test ordering. Please call (512) 339-1275 or (800) 595-1275 for assistance.

You may also contact our Compliance Department at compliancedept@cpllabs.com.

Please review this notice with all appropriate staff.

Thank you for supporting Clinical Pathology Laboratories, Inc.