

# Memo

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**To**

UCHealth Healthcare Providers and  
Healthcare Professionals

**From**

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## Annual Laboratory Compliance Notice to Providers

This annual notice is in compliance with the guidance of the Office of the Inspector General (OIG) and the regulations and requirements of the Department of Health and Human Services and the Centers for Medicare and Medicaid Services (CMS.) The OIG recommends that the following information is communicated to healthcare providers.

### CLINICAL LABORATORY FEE SCHEDULE

The 2018 Clinical Laboratory Fee Schedule is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Clinical-Laboratory-Fee-Schedule-Files-Items/18CLAB.html>.

The Medicaid reimbursement amount will be equal to or less than the Medicare reimbursement amount.

### MEDICAL NECESSITY REQUIREMENT

Medicare will only pay for tests that meet the Medicare coverage criteria and are reasonable and necessary for treatment and diagnosis.

Local Coverage Determinations (LCD) and National Coverage Determinations (NCD) specify tests that have limited coverage under Medicare, list covered diagnosis codes for these tests, and may be viewed at <http://www.cms.gov/medicare-coverage-database/>.

Physicians must provide ICD-10 codes or diagnoses with all outpatient laboratory requests to support medical necessity. Code the condition(s) to the highest degree of certainty for that encounter/visit.

When ordering individual tests or any organ and disease oriented panels, please remember that for laboratories to bill Medicare, each and every test, including each component of a panel, must be medically necessary for the treatment or diagnosis of the particular patient being tested.

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A signed Advanced Beneficiary Notice (ABN) should be obtained before service is provided to any outpatient for whom there is reasonable doubt that Medicare will provide coverage for specific lab tests or other services.

#### CUSTOMIZED PROFILES

Any grouping of laboratory tests that is not described in the Organ and Disease Panel section of the CPT Manual is considered to be a customized profile. Using a customized profile may result in the ordering of tests which are not covered, reasonable or necessary and that may not be billed. The OIG takes the position that an individual who knowingly causes a false claim to be submitted may be subject to sanctions or remedies available under civil, criminal and administrative law. A list of custom profiles is available at <https://www.medialabinc.net/dv/dl.aspx?d=772703&dh=aecd6&u=93268&uh=5b9bc>

#### REFLEX TESTING

Reflex testing and confirmatory testing may be medically indicated when initial test results fall within certain parameters. UHealth Laboratories use Medical Board/Executive Committee-approved testing algorithms whenever possible to avoid delays in patient care. A list of laboratory tests that may generate additional testing and the conditions under which they are performed is available at <https://www.medialabinc.net/dv/dl.aspx?d=463253&dh=33de8&u=92201&uh=7ca69>.

#### QUESTIONS?

Please do not hesitate to contact the laboratory at 303-460-6089 if you have any questions.

For questions regarding appropriateness of tests, please contact our Clinical Consultant:

Gregary T. Bocsi, DO, 720-848-7050