

To: Community Services Clients
From: UW Medicine Department of Laboratory Medicine
Date: May 1, 2006

Re: Annual Compliance Letter to Providers

The UW Medicine Department of Laboratory Medicine has developed an active compliance program reflecting our commitment to conduct our business in adherence to all federal, state and local laws and to comply with all program requirements of federal, state and private health plans.

To provide our clients with the most up-to-date information available, we offer this annual notification of our compliance policies concerning the coding, ordering, billing, and reimbursement of laboratory services.

1. **Medicare's National Medical Necessity Policy**

When ordering tests for which Medicare reimbursement will be sought, physicians should only order tests which are medically necessary for diagnosis or treatment of the patient. You should be aware that Medicare generally does not reimburse routine screening tests, and will only pay for tests that are covered by the program and are reasonable and necessary to treat or diagnose the patient (Section 1862(a)(1)(A) of the Social Security Act). A complete listing of the screening tests that are covered by Medicare can be found at <http://new.cms.hhs.gov/MLNProducts/downloads/PSGUID.pdf>.

Many other third party payers require medical necessity information also. Therefore we require medical necessity information in the form of a valid ICD-9-CM code (International Classification of Diseases 9th Revision - Clinical Modification) for all requests that are to be billed to a third party payer.

2. **Panel Testing Policy**

It is the UW Department of Laboratory Medicine's policy to provide health care providers with the ability to order only those lab tests medically necessary for the individual patient and to ensure that the convenience of ordering standard panels and custom profiles does not impact this ability. While we recognize the value of this convenience, indiscriminate use of panels and profiles, whether customized or as established organ and disease related panels, can lead to ordering tests that are not medically necessary. Therefore, we will offer all tests contained in our panels and profiles individually as well. If a component test is not listed individually on a request form, it may be written in the "OTHER REQUESTS" box. We encourage physicians to order individual tests or a less inclusive profile when not all of the tests included in the panel or profile are medically necessary for the individual patient. Organ and disease oriented panels will only be billed when ALL the components of the panel are medically reasonable and necessary.

Any individual who knowingly causes medically unnecessary testing to be performed and billed to federally funded health care programs may be subject to sanctions and remedies available under civil, criminal, and administrative law.

3. **Reflex Testing**

Reflex testing is additional testing that is automatically performed on the basis of initial test results. All procedures that contain a reflexive testing pathway are designated on the web-based catalogue of laboratory testing located at <http://byblos.labmed.washington.edu/bcard/search.asp> along with details of the reflexive testing pathway. Information listed includes the additional tests that will be performed and the criteria that will trigger the additional testing along with the CPT codes and Medicare listed fees for those CPT codes. If the reflex pathway is not a generally accepted medical practice, the procedure can be ordered without the reflex testing. If a reflex test is not listed offering this choice on a request form, it may be written in the "OTHER REQUESTS" box.

4. **National and Local Coverage Decisions**

Under 42 CFR 405.732(b)-(d) Negotiated Rulemaking, national coverage decisions are codified. These national coverage decisions determine when a laboratory service will (or will not) be considered "reasonable and necessary" and thus eligible (or ineligible) for reimbursement under Medicare. The list of ICD-9-CM (International Classification of Diseases 9th Revision Clinical Modification) codes related to these CPT codes are frequently updated and revised.

Additionally our local fiscal intermediary has established local coverage decisions that also determine when a laboratory service will (or will not) be considered "reasonable and necessary" and thus eligible (or ineligible) for reimbursement under Medicare.

A listing of web resources for information concerning Local and National Coverage Decisions can be found in appendix A.

5. **Medicare Fee Schedule**

A listing of all laboratory testing CPT codes for each test, and Medicare's National Fee Schedule related to those codes can be found at http://www.cms.hhs.gov/ClinicalLabFeeSched/02_clinlab.asp#TopOfPage. State Medicaid reimbursement will be equal to, or less than, this amount.

6. **Laboratory Clinical Consultant**

Our clinical consultant for Laboratory Medicine can be reached through paging operator at 206 598 6190. Ask for the Laboratory Medicine resident on-call.

7. **Providers who have been excluded from participation in federally funded programs**

Because we are a contracted service with CMS, we are prohibited from billing any federally funded program for any goods or services requested by any provider excluded from participation in federally funded programs. Laboratory testing requested by sanctioned providers will not be accepted.

The Community Services Program of the UW Medicine Department of Laboratory Medicine values your business and appreciates your time and effort in reviewing these compliance policies. We hope that this information will assist in keeping you informed of policies that govern medical diagnostic services. If you have questions or concerns concerning this notification, compliance concerns or issues with our services, please contact Community Services at 206-598-6131.

Incl:
Appendix A: National and Local Coverage Decisions

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Name	Link
Alpha Feto Protein	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.25&ncd_version=1
Blood Counts	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.15&ncd_version=1
Blood Glucose testing	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.20&ncd_version=2
Carcinoembryonic Antigen (CEA)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.20&ncd_version=2
Collagen Crosslinks,any Method	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.20&ncd_version=2
Digoxin Therapeutic Drug Assay	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.24&ncd_version=1
Fecal Occult Blood	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.24&ncd_version=1
Gamma Glutamyl Transferase (GGT)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.32&ncd_version=1
Glycated Hemoglobin/Glycated Protein	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.32&ncd_version=1
Hepatitis Panel/Acute Hepatitis Panel	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.33&ncd_version=1
Human Chorionic Gonadotropin (hCG)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.27&ncd_version=1
Human Immunodeficiency Virus (HIV) testing (Diagnosis)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.14&ncd_version=1
Human Immunodeficiency Virus (HIV) testing (Prognosis including monitoring)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.13&ncd_version=1
Lipid Testing	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.23&ncd_version=2
Partial Thromboplastin Time (PTT)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.16&ncd_version=1
Prostate Specific Antigen (PSA)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.31&ncd_version=1
Prothrombin Time (PT)	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.17&ncd_version=1
Serum Iron Studies	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.18&ncd_version=1
Thyroid Testing	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.22&ncd_version=1
Tumor Antigen by Immunoassay – CA 125	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.28&ncd_version=2
Tumor Antigen by Immunoassay – CA 15-3/CA 27.29	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.29&ncd_version=1
Tumor Antigen by Immunoassay – CA 19-9	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.30&ncd_version=1
Urinalysis	http://www.noridianmedicare.com/provider/pubs/med_a/policy/final/ak_wa/a2005_02r1.html
Urine Culture, Bacterial	http://www.cms.hhs.gov/mcd/viewncd.asp?ncd_id=190.12&ncd_version=1