

To: Palmetto Health Physicians
From: Palmetto Health Laboratories
Date: February 29, 2016
Re: Annual Update on Laboratory Services

We appreciate that you have chosen Palmetto Health to meet your laboratory needs. We would like to thank you and your staff for entrusting us with your patients' laboratory testing needs this past year. We value our partnership with you as we both strive to give our patients the best service possible. We also appreciate your assistance and cooperation in helping us maintain strict adherence to governmental guidelines and regulations, which seem to increase exponentially every year.

Accessing the Website

You can access our website at www.palmettohealth.org; choose Patient Services, Laboratory Services and then "*Guidelines for Ordering Laboratory Services on Medicare Beneficiaries.*" The website is frequently updated with information about Medicare's National and Local coverage policies, screening tests, billing information and medical necessity requirements.

Fee Schedule

Outpatient clinical laboratory services are paid based on a fee schedule in accordance with Section 1833(h) of the Social Security Act. Payment is the lesser of the amount billed, the local fee for a geographic area, or a national limit. In accordance with the statute, the national limits are set at a percent of the median of all local fee schedule amounts for each laboratory test code. Each year, fees are updated for inflation based on the percentage change in the Consumer Price Index. However, legislation by Congress can modify the update to the fees. The Medicaid reimbursement will be equal to or less than the amount of Medicare reimbursement. Please reference the link below to access the 2016 Clinical Laboratory Fee Schedule.

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/clinlab.html>

Order Requirements

Organ or disease related panels will only be paid and will only be billed when all components are medically necessary. In an effort to better serve you, please be sure that orders and test requisitions meet the following regulatory requirements:

- ✓ Ensure the requested laboratory test is clearly listed and not abbreviated.
- ✓ Provide only the ICD-10 diagnosis code for each test and avoid exclusively using narrative or descriptive diagnoses.
- ✓ Ensure the order is completely coded at the time it is initiated to ensure that appropriate financial liability is established.
- ✓ Append an authorized, legible and non-stamped signature to the order.
- ✓ Include a current phone number and fax number on the order.

The omission of such information causes unnecessary delays for patients and specimen processing.

Brain Natriuretic Peptide (BNP)

Recently, we have seen an increase in the number of denials for the BNP. Please see below for policy guidelines:

Benefits are considered **MEDICALLY NECESSARY** for the following indications:

- BNP measurements are used to distinguish cardiac cause of acute dyspnea from pulmonary or other non-cardiac causes in the urgent care setting.

- Distinguishing decompensated congestive heart failure (CHF) from exacerbated chronic obstructive pulmonary disease (COPD) in a symptomatic patient with combined CHF and COPD.

Benefits are NOT COVERED OR CONSIDERED MEDICALLY NECESSARY for the following indications:

- Routine diagnosis of heart failure
- Management of heart failure
- Diagnosis of other cardiac conditions (e.g., left ventricular dysfunction, ventricular septal defect, coronary artery disease)

Serial measurements of plasma BNP and/or its inactive metabolite (NT-proBNP) are considered to be INVESTIGATIONAL/EXPERIMENTAL for the following:

- Titrating therapy for members with chronic heart failure
- Monitoring the effectiveness of therapy for members with congestive heart failure
- Determining prognosis of members after an acute coronary syndrome episode
- Determining prognosis of member with chronic heart failure
- For guiding the initiation of thrombolytic therapy in members with acute pulmonary embolism
- For guiding statin decisions for members with heart failure
- For screening unrecognized left ventricular dysfunction
- For managing (diagnostic, prognostic and therapeutic) members with chronic renal failure
- For routine evaluation of dyspnea, other than where necessary to distinguish heart failure from pulmonary disease

Cytogenetic Studies

Medicare covers these tests when they are reasonable and necessary for the diagnosis or treatment of the following conditions:

- Genetic disorders (e.g., mongolism) in a fetus;
- Failure of sexual development;
- Chronic myelogenous leukemia;
- Acute leukemias lymphoid (FAB L1-L3), myeloid (FAB M0-M7), and unclassified; or
- Myelodysplasia

Please reference Cytogenetic Studies NCD 190.3 at www.palmettohealth.org for more information.

We appreciate the privilege of serving you and your patients. If we can be of further assistance, please contact me. Thank you for choosing Palmetto Health.

Sincerely,

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Pathologist
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