

To: Palmetto Health Physicians  
From: Palmetto Health Laboratories  
Date: February 23, 2018  
Re: Annual Update on Laboratory Services

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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.

For a test to be covered the test must be reasonable and necessary for the diagnosis or management of the patient's condition, ordered by a physician, reported promptly to the physician, and the physician must use the test result in the management of the patient.

#### Accessing the Website

You can access our website at [www.palmettohealth.org](http://www.palmettohealth.org); choose Browse Medical 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.

#### Order Requirements

Organ or disease related panels will only be billed and will only be paid 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 appropriate 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.

### ***Governmental***

#### 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 2018 Clinical Laboratory Fee Schedule.

<https://www.cms.gov/apps/ama/license.asp?file=/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Downloads/18CLAB.zip>

### 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](http://www.palmettohealth.org) for more information.

### ***Non-Governmental***

#### Avalon/Blue Cross Blue Shield of South Carolina

BlueCross BlueShield of South Carolina partnered with Avalon Healthcare Solutions (Avalon) to administer laboratory benefits management services beginning on Jan. 1, 2017. Avalon is responsible for all necessary prior authorizations for lab tests in the outpatient setting. The prior authorization process is structured to operate consistently within the standards developed by the Centers for Medicare and Medicaid (CMS) and the National Center for Quality Assurance (NCQA).

More than 190 CPT codes (up from 150 in 2017), including genetic, oncology and immunology lab tests, now require prior authorization. A list of lab tests, CPT codes and the prior authorization form to complete before a lab test preauthorization can be found at:

<https://avalonhcs.com/documents/20182/22556/BCBSSC+Prior+Authorization+List+2018/eb911d68-459c-06ec-2cc1-e6fa84ea7f31?version=1.2>

<http://web.southcarolinablues.com/providers/educationcenter/precertification/labprecertification.aspx>

In addition to the pre-authorizations, enhanced medical policy administration went into effect on April 1, 2017. Please review and become familiar with the requirements for laboratory testing (example: frequency limitations, gender limitations, number of units, etc.) as claims filed on or after this date have begun to deny for medical necessity. Medical policies can be found at:

<http://www.cam-policies.com/internet/cmpd/cmp/mdclplcy.nsf/dispDisclaimer?openform>.

#### BeaconLBS/United Healthcare

Nov. 1, 2017 United Healthcare initiated its notification/prior authorization process managed by Beacon Laboratory Benefit Solutions, Inc. (BeaconLBS). Many genetic and molecular tests (Tier 1 and Tier 2 Molecular Pathology procedures, etc.) now require prior authorization. Ordering providers must complete the prior authorization process online ([www.uhcprovider.com](http://www.uhcprovider.com)) or over the phone while selecting Palmetto Health as the destination laboratory. Palmetto Health Laboratory has registered its test directory via the online portal.

Affiliate United plans to which this requirement does/does not apply and a complete list of genetic and molecular tests can be found at <https://www.uhcprovider.com/en/prior-auth-advance-notification/genetic-molecular-lab.html>

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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