To: Prisma Health–Midlands Physicians

From: Prisma Health–Midlands Laboratories

Date: June 17, 2020

Re: Annual Update on Laboratory Services

We appreciate that you have chosen Prisma 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, it 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 PalmettoHealth.org/Lab and choose *"Guidelines for Ordering Laboratory Services on Medicare Beneficiaries."* The website is updated frequently 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.
    - Common denials due to incomplete coding: BNP, Hepatitis Acute Panel, TSH, Hemoglobin A1c
- 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 to access the 2020 Clinical Laboratory Fee Schedule.

Advance Beneficiary Notice

The Advance Beneficiary Notice of Noncoverage (ABN) is issued by providers in situations where Medicare payment is expected to be denied. The ABN is issued to transfer potential financial liability to the Medicare beneficiary in certain instances of failed medical necessity. It is important to obtain an ABN when prompted to avoid lost revenue to Prisma Health.

Respiratory/GI Panels

In 2019, we began offering Respiratory and GI Panels. While these are very useful tests in the clinical setting to determine the patient's condition, they are very limited in their coverage by CMS (as well as commercial payers). The CMS coverage policies can be accessed via our website as listed above.

Prealbumin
Please note that CMS has designated Prealbumin (CPT 84134) as a non-covered test for Medicare beneficiaries. As such, Medicare will deny reimbursement for ALL Prealbumin tests. This is an example where obtaining an ABN from the patient is important to avoid denials and lack of reimbursement to Prisma Health.

Non-Governmental

Avalon/BlueCross BlueShield of South Carolina
BlueCross BlueShield of South Carolina is entering its fourth year of partnership with Avalon Healthcare Solutions (Avalon) to administer laboratory benefits management services. 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 200 CPT codes, including genetic, oncology and immunology lab tests, now require prior authorization. Attached are the 2020 (effective Nov. 2019) list of lab tests with CPT codes and instructions on how to register your office to use Avalon's Prior Authorization System (PAS).
Avalon Prior Authorization List
Avalon Prior Authorization System (PAS)

In addition to the prior authorizations, enhanced medical policy administration is in effect. Please review and become familiar with the requirements for laboratory testing (example: frequency/gender limitations, number of units, etc.) as many claims filed have begun to deny for medical necessity. Medical policies can be found at http://www.cam-policies.com/.

Please reference CAM 126 (Vitamin D Testing), CAM 133 (Hemoglobin A1c) and CAM 135 (Thyroid Disease Testing) to prevent common denials. Also note CAM 205 (General Inflammation Testing) which states, "For any condition other than periprosthetic joint infections (PJI), measurement of **both** C-Reactive Protein (CRP) and erythrocyte sedimentation rate (ESR), at the same visit, in the diagnosis, assessment and monitoring of inflammatory disorders, and/or undiagnosed conditions, and/or to detect acute phase inflammation is considered not medically necessary." Prisma Health Laboratory is in constant contact with BlueCross BlueShield of South Carolina regarding this and other policies. However, as of Q1 2020, it is still in effect and produces a large quantity of denials.

BeaconLBS/United Healthcare
United Healthcare initiated its notification/prior authorization process managed by Beacon Laboratory Benefit Solutions, Inc. (BeaconLBS) in late 2017. Many genetic and molecular tests (Tier 1 and Tier 2 Molecular Pathology procedures, etc.) require prior authorization to be performed. Multiple additions to this prior authorization list, to include GI Panels, Vaginitis Panels, etc., will go into effect March 1, 2020. Ordering providers must complete the prior authorization process online (www.uhcprovider.com) or over the phone (800-377-8809).

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 I may be of further assistance, please contact me. Thank you for choosing Prisma Health.

Sincerely,

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