

# OVERVIEW

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Palmetto Health is committed to serving you and your patients. This information should be used to help us adhere to CMS guidelines for laboratory compliance.

This manual includes **excerpts** from all of the **Medicare Part A** local and national coverage determinations [**NCDs - National Coverage Determinations**; **LCDs - Local Coverage Determinations** for lab tests. Our LCDs apply to South Carolina, Virginia, West Virginia, and North Carolina.

By referring to these policies before the patient leaves your office, you will have the opportunity to answer the patient's questions about the need for testing, especially when it appears likely that Medicare will not pay for a test.

This information is also located on our website:

<http://www.palmettohealth.org/bodyapplication.cfm?id=2181>

**Specimen collected in your office:** When a test is ordered and drawn in your office, the test ordered should be checked against the diagnosis codes in the policies. If the test does not support medical necessity, the patient must be given an Advanced Beneficiary Notice (ABN) to sign and date with the name of the test, reason and approximate cost of the testing **prior to the specimen being collected**. The patient must be given a copy of the ABN that the patient signed and dated. The ABN should be sent to PH laboratory with the order and specimen.

**Specimen collected at a Palmetto Health Collection Site:** When a Medicare beneficiary arrives at any Palmetto Health Laboratory, each test ordered is electronically checked against the diagnosis codes in the NCDs or LCDs. When medical necessity of a lab test is not supported by the reasons provided by the physician on the lab order/requisition, the patient will be asked to sign an ABN. Patients are often surprised and concerned when informed that the testing will probably not be covered. On occasion, patients refuse to sign the ABN, refuse to have the tests done, or request follow-up with the physician.

**Providing all applicable and numerical diagnoses, signs or symptoms on the original order will minimize calls we may have to make to your office.**

For more information related to ABNs select Appendix C tab "Advanced Beneficiary Notices (ABN)" in this manual. A reproducible copy of the ABN form (CMS-R-131-L) is also available and on our website.

The lab also must follow other coding guidelines including the National Correct Coding Initiative edits (CCI) and Medically Unlikely Edits (MUE). We may contact your office if an aberrant pattern of ordering tests governed by these edits is identified.

**Note:** Additional information related to CMS local and national coverage policies is available on our website for your ease of use and quick reference. Please acquaint yourself with this information.