

2022 ANNUAL NOTICE TO PHYSICIANS

Palomar Health Laboratories (PH Labs) is providing this annual notice to physicians and other ordering providers at the recommendation of the Office of Inspector General (OIG).

When ordering tests for which Medicare reimbursement will be sought, the following applies:

Medicare Medical Necessity

Medicare will only pay for covered services that are reasonable and necessary for the patient's clinical condition. PH Labs must be able to obtain from the ordering provider documentation to support the medical necessity of any service billed by the laboratory. Medicare may deny payment for a test that the physician believes is appropriate but does not meet medical necessity guidelines, or is frequency restricted.

Medicare National (NCD) and Local (LCD) Coverage Determinations

Medicare defines the medical conditions through the inclusion of a list of ICD-10 (diagnosis) codes for which tests are covered or reimbursed. HIPAA regulations require ICD-10 code(s) be present on each test ordered. Coverage determinations may be viewed at: <https://www.cms.gov/medicare-coverage-database/>

Advanced Beneficiary Notice of Noncoverage (ABN)

Not all laboratory services are covered by Medicare. If a particular test that is ordered does not meet medical necessity guidelines, or is frequency restricted, the patient will be provided with an Advanced Beneficiary Notice (ABN) which informs the patient of his/her potential financial responsibility for the tests if Medicare denies the service. If an ABN is signed by the patient, the tests will first be submitted to Medicare for initial determination. If Medicare denies the test, the patient will then be billed for the test. Your patient will also be provided the opportunity to refuse the test if it is not likely to be covered.

Medicare does not pay for:

- 1) tests that are limited coverage unless the ICD-10 code supports medical necessity;
- 2) tests that are considered non-covered;
- 3) tests that exceed frequency limits established by Medicare; or
- 4) tests that are for experimental or research use

An ABN Manual is posted on the Laboratory Services website to provide clients with guidelines for completing the ABN form and to summarize the NCD and LCD information posted on the CMS website.

Reflex Testing

Reflex testing occurs when initial test results are positive or outside normal parameters and indicate that a second related test or further testing is medically appropriate. Mandated testing criteria set by government or accrediting agencies, relevant practices in laboratory medicine, and avoidance of performing unnecessary testing help dictate which tests are subject to reflective testing. Upon results of an initial laboratory test, reflex tests will be performed as outlined based on approved reflex test algorithms for laboratory tests.

Some reflex testing may result in additional charges. If you **DO NOT** want reflex testing, please clearly communicate this request on the laboratory test requisition form.

Billing Information

PH Laboratories requires the following information to enable our Billing Department to bill Medicare, Medicaid or other commercial insurance:

- ✓ Date of order
- ✓ Patient's full name
- ✓ Date of birth and gender
- ✓ Complete patient insurance information, including a copy of the patient's current insurance card
- ✓ Referring physician/provider's name
- ✓ Valid ICD-10 diagnosis code(s) for each test
- ✓ Tests to be performed

Clinical Consultants

Palomar Health Laboratory Services and Valley Pathology Medical Associates, Inc are available to discuss test results, appropriate testing, and ordering. Please call: 442-281-1600.

Medicare Clinical Fee Schedule

Outpatient clinical laboratory services are paid based on a fee schedule. Co-payments and deductibles do not apply to services paid under the Medicare clinical laboratory fee schedule. Medicaid reimbursement is usually equal to or less than the amount of Medicare reimbursement. Medicare clinical laboratory fee schedule can be viewed at:

<https://www.cms.gov/medicare/medicare-fee-for-service-payment/cliniclabbfeesched/>

Patient Privacy (HIPAA)

It is our policy to comply with the letter and intent of the HIPAA privacy and security standards. Our privacy policy is available at <https://www.palomarhealth.org/patient-and-visitor-information-main/patient-standards-for-privacy>.

If you have additional questions regarding compliance, the OIG has guidance for physicians that can be reviewed at: <https://oig.hhs.gov/compliance/provider-compliance-training/index.asp>

We ask that you take a few minutes to review this information with your appropriate staff. Palomar Health Laboratory Services greatly appreciates the opportunity to support you and your patients with your laboratory needs.

Sincerely,



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