



Related MLN Matters Article #: MM3694 **Revised**

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Related CR #: 3694

### *Implementation of the Abstract File for Purchased Diagnostic Tests/Interpretations (Supplemental to CR 3481) - JA3694*

**Note:** JA3694 was revised on May 5, 2010, to add a reference to MM6627 for important information, regarding the elimination of references to "purchased diagnostic tests". That article is available at <http://www.cms.gov/MLN MattersArticles/downloads/MM6627.pdf> on the CMS website.

#### Key Words

Diagnostic, Tests, Interpretations, CR3694, MM3694, R464CP, CR3481, MM3481, HCPCS, MPFS, CR5543, MM5543, R1250CP

#### Provider Types Affected

Physicians and Independent Diagnostic Testing Facilities (IDTFs) billing Medicare Carriers for purchased diagnostic tests/interpretations

#### Key Points

- The effective date of the instruction is April 1, 2005.
- The implementation date is April 4, 2005.
- Change Request (CR) 3694 replaces CR3481, instructing carriers to pay physicians for diagnostic test and interpretations performed outside of the local carrier's jurisdiction.
- The Centers for Medicare & Medicaid Services (CMS) is delaying implementation of billing instructions specified in CR3481 for purchased diagnostic service claims submitted by physicians due to a locality reporting issue.
- Effective April 1, 2005, suppliers, laboratories, physicians, and IDTFs are to bill their local carrier for purchased diagnostics tests and interpretations, regardless of location where the service was furnished.
- Effective April 1, 2005, carriers should price claims based on the ZIP code of the location where the service was rendered when submitted by a laboratory or IDTF.
- The carriers will do so by using a CMS-supplied abstract file of the Medicare Physician Fee Schedule (MPFS) containing Healthcare Common Procedure Coding System codes payable under the MPFS as either a purchased test or interpretation for the calendar year.

- Until further notice, carriers should pay local rate for purchased interpretation claims when submitted by a physician. (See **Update of Temporary Instructions** section below.)
- Carriers should accept and process claims when billed by suppliers enrolled in the carrier's jurisdiction, regardless of the location where the service was furnished.
- Carriers should allow claims submitted by an IDTF if the IDTF has previously enrolled to bill for purchased diagnostic test components it performs.

#### Update of Temporary Instructions

- CR5543 (<http://www.cms.gov/Transmittals/downloads/R1250CP.pdf>) replaces the temporary physician billing instructions effective October 1, 2007.
- These new procedures allow **all physicians and suppliers** to receive the correct payment amount for all purchased diagnostic services (based on the ZIP code of the location where the service was rendered). The related article (MM5543) may be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM5543.pdf> on the CMS website.

#### Important Links

The related MLN Matters® article can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM3694.pdf> on the CMS website.

The related MLN Matters® article for MM3481 can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM3481.pdf> on the CMS website.

The official instruction (CR3694) issued regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R464CP.pdf> on the CMS website.