



Related MLN Matters Article #: MM4144

Date Posted: November 18, 2005

Related CR #: 4144

### *2006 Annual Update for Clinical Laboratory Fee Schedule and Laboratory Services Subject to Reasonable Charge Payment*

#### Key Words

MM4144, CR4144, R750CP, Clinical Laboratory Fee Schedule, Laboratory Services, Reasonable Charge Payment

#### Provider Types Affected

Clinical laboratories

#### Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- This article, and the related Change Request (CR) 4144 contain important information regarding:
  - The 2006 annual updates to the clinical laboratory fee schedule;
  - Mapping for new codes for clinical laboratory tests; and
  - Laboratory costs related to services subject to reasonable charge payments.
- It is important that affected laboratories understand these changes to ensure correct and accurate payments from Medicare.
- Clinical Laboratory Fees – The part B deductible and coinsurance do not apply for services paid under the clinical laboratory fee schedule.
- Biologic products not paid on a cost or prospective payment basis are paid based on Section 1842(o) of the Act. The payment limits based on Section 1842(o), including the payment limits for codes P9041, P9043, P9045, P9046, P9047, and P9048, should be obtained from the Medicare Part B Drug Pricing Files.

Refer to MM4114 at the link provided below for additional information on the following topics:

- Update to clinical laboratory fees
- National minimum payment amounts
  - Payment for a cervical or vaginal smear test (pap smear) is the lesser of the local fee or the national limitation amount (NLA), but not less than a national minimum payment amount. Also, payment may not exceed the actual charge.
  - The 2006 national minimum payment amount is \$14.76.
  - The affected codes for the national minimum payment amount are 88142, 88143, 88147, 88148, 88150, 88152, 88153, 88154, 88164, 88165, 88166, 88167, 88174, 88175, G0123, G0143, G0144, G0145, G0147, G0148, and P3000.
- National Limitation Amounts (Maximum)
  - For tests for which NLAs were established before January 1, 2001, the NLA is 74 percent of the median of the local fees.
  - For tests for which NLAs are first established on or after January 1, 2001, the NLA is 100 percent of the median of the local fees in accordance with §1833(h)(4)(B)(viii) of the Act.
- Access to 2006 clinical laboratory fee schedule
  - Internet access to the 2006 clinical laboratory fee schedule data file is available at <http://www.cms.hhs.gov/ClinicalLabFeeSched/> on the CMS website.
- Additional pricing information
- Organ or disease oriented panel codes
- Laboratory costs subject to reasonable charge payment in 2006
- Public comments about the payment relationship between 2005 codes and new 2006 Current Procedural Terminology codes.

## Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4144.pdf>

<http://www.cms.hhs.gov/transmittals/downloads/R750CP.pdf>

Instructions for calculating reasonable charges are located in the *Medicare Claims Processing Manual* (Pub. 100-04) Chapter 23, Sections 80-80.8, at

<http://www.cms.hhs.gov/manuals/downloads/clm104c23.pdf> on the CMS website.

Information on the blood deductible is available in the *Medicare General Information, Eligibility, and Entitlement Manual*, Pub. 100-01, Chapter 3, Section 20.5-20.54. That manual is available at

<http://www.cms.hhs.gov/manuals/downloads/qe101c03.pdf> on the CMS website.

To review the MLN Matters article about CR3681, go to

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3681.pdf> on the CMS website.