



## Provider Inquiry Assistance

### Calendar Year (CY) 2009 Annual Update for Clinical Laboratory Fee Schedule and Laboratory Services Subject to Reasonable Charge Payment – JA6070

Related CR Release Date: December 19, 2008

Date Job Aid Revised: December 30, 2008

Effective Date: January 1, 2009

Implementation Date: January 5, 2009

<b>Key Words</b>	MM6070, CR6070, R1651CP, Clinical, Laboratory
<b>Contractors Affected</b>	<ul style="list-style-type: none"> <li>• Carriers</li> <li>• Fiscal Intermediaries (FIs)</li> <li>• Part A/B Medicare Administrative Contractors (A/B MACs)</li> </ul>
<b>Provider Types Affected</b>	Clinical laboratories billing Medicare Carriers, FIs, or A/B MACs



Change Request (CR) 6070 provides instructions for the CY 2009 clinical laboratory fee schedule, mapping for new codes for clinical laboratory tests, and updates for laboratory costs subject to the reasonable charge payment.

<b>Provider Needs to Know...</b>	<ul style="list-style-type: none"> <li>• In accordance with the Social Security Act (Section 1833(h)(2)(A)(i)) and as amended by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Section 628), the annual update to the local clinical laboratory fees for CY 2009 is 4.5 percent.</li> <li>• The Social Security Act (Section 1833(a)(1)(D)) provides that payment for a clinical laboratory test is the lesser of:             <ul style="list-style-type: none"> <li>• The actual charge billed for the test,</li> <li>• The local fee, or</li> <li>• The national limitation amount (NLA).</li> </ul> </li> </ul>
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**Note:** The Part B deductible and coinsurance do not apply for services paid under the clinical laboratory fee schedule.

### National Minimum Payment Amounts

- For a cervical or vaginal smear test (Pap smear), payment is the lesser of the local fee or the NLA, but not less than a national minimum payment amount. In addition, payment may not exceed the actual charge.
- The CY 2009 national minimum payment amount is \$15.42 (\$14.76 plus 4.5 percent update for CY 2009).
- The affected Current Procedural Terminology (CPT) / Healthcare Common Procedure Coding System (HCPCS) codes for the national minimum payment amount are shown in the table on page 2 of MLN Matters article MM6070.

### NLA (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 the NLAs are first established on or after January 1, 2001, the NLA is 100 percent of the median of the local fees.

### Access to Data File

- The CY 2009 clinical laboratory fee schedule data file should be available after November 17, 2008, at <http://www.cms.hhs.gov/ClinicalLabFeeSched> on the CMS website.
- The CY 2009 clinical laboratory fee schedule may be retrieved by other interested parties, such as the Medicaid state agencies, the Indian Health Service, the United Mine Workers, and the Railroad Retirement Board via the Internet.
- The clinical laboratory fee schedule data will be available in multiple formats: Excel, text, and comma delimited.

### Pricing Information

- The CY 2009 clinical laboratory fee schedule includes separately payable fees for certain specimen collection methods (CPT / HCPCS codes 36415, P9612, and P9615).
- For dates of service from January 1, 2009, through December 31, 2009, the fee for clinical laboratory travel code P9603 is \$1.035 per mile (rounded to \$1.04 if necessary). The fee for clinical laboratory travel code P9604 is \$10.35 per flat rate trip basis.
- The clinical laboratory travel codes are billable only for traveling to perform a specimen collection for either a nursing home or homebound patient.
- If there is a revision to the standard mileage rate for CY 2009, the Centers for Medicare & Medicaid Services (CMS) will issue a separate instruction on the clinical laboratory travel fees.
- The CY 2009 clinical laboratory fee schedule also includes codes that have a "QW" modifier to both identify codes and determine payment for tests performed by a laboratory registered with only a certificate of waiver under the Clinical Laboratory

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Improvement Amendments.

### Organ or Disease Oriented Panel Codes

- The CY 2009 pricing amounts for certain organ or disease panel codes and evocative/suppression test codes were derived by summing the lower of the clinical laboratory fee schedule amount or the NLA for each individual test code included in the panel code.

### Mapping for New Codes

- New code 83876 is priced at the same rate as code 83520.
- New code 83951 is priced by adding the rates for code 83950.
- New code 85397 is priced at the same rate as code 85245.
- New code 87905 is priced by subtracting the rate for code 87176 from the rate for code 82657.
- New code 88720 is priced at the same rate as code 88400.
- New code 88740 is priced at the same rate as code 88400.
- New code 88741 is priced at the same rate as code 88400.
- Code 88400 is deleted beginning CY 2009.
- HCPCS code G0394 is deleted beginning CY 2009.
- For CY 2009, there are no new test codes to be gap-filled.

### Laboratory Costs Subject to Reasonable Charge Payment in CY 2009

- For outpatients, **the blood products, transfusion medicine, and reproductive medicine** codes in the tables on page 5 of MM6070 are paid under a reasonable charge basis.
- On that same page are the codes that should be applied to the blood deductible as instructed in the *Medicare General Information, Eligibility and Entitlement Manual*, Chapter 3, Sections 20.5 through 20.54 (<http://www.cms.hhs.gov/manuals/downloads/ge101c03.pdf>).

**Note:** Biologic products that are not paid on a cost or prospective payment basis are paid based on the Social Security Act (Section 1842(o)). The payment limits based on that provision, including the payment limits for codes P9041, P9043, P9045, P9046, P9047, P9048, should be obtained from the Medicare Part B drug pricing files.

- In accordance with 42 Code of Federal Regulations (CFR) 405.502 through 42 CFR 405.508 ([http://www.access.gpo.gov/nara/cfr/waisidx\\_01/42cfr405\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/42cfr405_01.html)), the reasonable charge may not exceed the lowest of the actual charge or the customary or prevailing charge for the previous 12-month period ending June 30, updated by the inflation-indexed update.
- The inflation-indexed update is calculated using the change in the applicable Consumer Price Index for the 12-month period ending June 30 of each year as prescribed by the

Social Security Act (Section 1842(b)(3):  
[http://www.ssa.gov/OP\\_Home/ssact/title18/1842.htm](http://www.ssa.gov/OP_Home/ssact/title18/1842.htm) and 42 CFR 405.509(b)(1):  
[http://www.access.gpo.gov/nara/cfr/waisidx\\_01/42cfr405\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/42cfr405_01.html)).

- Further, Section 145 of the Medicare Improvements for Patients and Providers Act of 2008 adjusted the inflation-indexed update by -0.5 percent. As a result, the inflation-indexed update for CY 2009 is 4.5 percent.
- Manual instructions for determining the reasonable charge payment can be found in Publication 100-04, *Medicare Claims Processing Manual*, Chapter 23, Sections 80 through 80.8 (<http://www.cms.hhs.gov/manuals/downloads/clm104c23.pdf>).
- If there is insufficient charge data for a code, the instructions permit considering charges for other similar services and price lists.
- When these services are performed for independent dialysis facility patients, the reasonable charge basis applies. (*Medicare Claims Processing Manual*, Chapter 8, Section 60.3 (<http://www.cms.hhs.gov/manuals/downloads/clm104c08.pdf>)).
- When these services are performed for hospital-based renal dialysis facility patients, payment is made on a reasonable cost basis.
- When these services are performed for hospital outpatients, payment is made under the hospital outpatient prospective payment system.

Background

- On July 14, 2008, CMS hosted a public meeting to solicit input on the payment relationship between CY 2008 codes and new CY 2009 CPT codes.
- Notice of the meeting was published in the Federal Register on May 23, 2008, and on the CMS website on June 16, 2008.
- Recommendations were received from many attendees, including individuals representing laboratories, manufacturers, and medical societies.
- CMS posted a summary of the meeting and the tentative payment determinations at <http://www.cms.hhs.gov/ClinicalLabFeeSched> on the CMS website. Additional written comments from the public will be accepted until October 10, 2008.
- CMS will also post a summary of the public comments and the rationale for their final payment determinations on the CMS website.

Operational      N/A  
 Impact

Reference  
Materials

The related MLN Matters article can be found at  
<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6070.pdf> on the CMS website.

The official instruction (CR6070) issued regarding this change may be viewed at  
<http://www.cms.hhs.gov/Transmittals/downloads/R1651CP.pdf> on the CMS website.

The Social Security Act (Section 1833(h)(2)(A)(i)) may be viewed at  
[http://www.ssa.gov/OP\\_Home/ssact/title18/1833.htm](http://www.ssa.gov/OP_Home/ssact/title18/1833.htm) on the Internet.

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