

## Medicare Clinical Laboratory Fee Schedule (CLFS) Update

### 2013 Gapfill Rationale Methodology for Molecular Pathology Procedures

#### Rationale from Medicare Administrative Contractors' (MAC) Rate Setting and Payment Determinations

#### 1. CGS

##### **TEST CODES:**

81161, 81200, 81205, 81209, 81216, 81250, 81252, 81253, 81254, 81255, 81280, 81281, 81282, and 81290

##### **RATIONALE:**

Tests utilized to determine risk for developing a disease or condition in the absence of signs and symptoms of an illness or injury.

##### **TEST CODES:**

81220, 81221, 81222, 81223, 81224, 81228, 81229, 81260, 81302, 81303, 81304, 81324, 81325, 81330, 81331, and 81350

##### **RATIONALE:**

Tests utilized to determine risk for developing a disease or condition in the absence of signs and symptoms of an illness or injury and tests considered to be screening tests in the absence of clinical signs and symptoms of a disease or without diagnosis-specific indications.

##### **TEST CODES:**

81242, 81243, 81244, 81251, 81266, and 81316

##### **RATIONALE:**

Tests that are duplicate services, or that confirm a diagnosis or known information.

#### 2. WPS

##### **TEST CODES:**

81216

##### **RATIONALE:**

Investigational tests.

##### **TEST CODES:**

81200, 81205, 81209, 81220, 81221, 81222, 81223, 81224, 81228, 81229, 81242, 81243, 81244, 81250, 81251, 81252, 81253, 81254, 81255, 81260, 81280, 81281, 81282, 81290, 81302, 81303, 81304, 81324, 81325, 81330, and 81331

**RATIONALE:**

Screening tests.

**TEST CODES:**

81266

**RATIONALE:**

Quality only tests.

**TEST CODES:**

81350

**RATIONALE:**

Tests are not medically necessary.

3. **Noridian**

**TEST CODES:**

81161, 81216, 81324, 81325, and 81350

**RATIONALE:**

Investigational tests.

**TEST CODES:**

81200, 81205, 81209, 81220, 81221, 81222, 81223, 81224, 81228, 81229, 81242, 81243, 81244, 81250, 81251, 81252, 81253, 81254, 81255, 81260, 81280, 81281, 81282, 81290, 81302, 81303, 81304, 81330, and 81331

**RATIONALE:**

Screening tests.

**TEST CODES:**

81257

**RATIONALE:**

Tests are not medically necessary.

**TEST CODES:**

81265 and 81266

**RATIONALE:**

Quality only tests.

#### 4. **First Coast**

First Coast did not receive and/or was unable to locate information in the public domain for CPT test codes 81161, 81316, and 81326. Therefore, rates were not established for these three test codes. Any claims received will be individually considered until enough claims or additional information is received. The definition for each payment rule has been listed below –

- Payment Rule {a}: If  $n > 5$  and  $y > 1$  calculate at the 25<sup>th</sup> percentile. Exceptions, if 25<sup>th</sup> percentile shows a 75% variance defer to the AMA suggested or Palmetto rate; whichever is lower. (N= number of assay types per code, Y= number of providers).
- Payment Rule {b}: If  $n \leq 5$  calculate the "mean" if reasonable. If rate appears out of line, then defer to the AMA suggested or Palmetto rate; whichever is lower.
- Payment Rule {c}: Single source test allow at the AMA suggested rate if available, if not allow at Palmetto rate, if there is not an established rate then allow at the 2012 stacking code rate.
- Payment Rule {d}: If no data was received allow at the palmetto rate, if not available then check AMA suggested rate. If no rate is available suspend for payment review and apply individual consideration.
- Payment Rule {e}: Single source with no AMA suggested or Palmetto rate use the 3rd party insurer payment if available. If none are available use the code stack allowance as submitted by the provider.
- Payment Rule {f}: Calculate 25<sup>th</sup> percentiles based on overhead hierarchy. Exception, if 25<sup>th</sup> is lower than minimum of AMA suggested range then move to the percentile that is more in line with the suggested minimum. Rates should reflect an increase in payment.

**A** = Test codes 81200, 81206, 81207, 81209, 81210, 81220, 81221, 81222, 81223, 81225, 81226, 81227, 81228, 81229, 81235, 81240, 81241, 81242, 81243, 81244, 81245, 81251, 81252, 81254, 81255, 81256, 81257, 81260, 81261, 81262, 81263, 81265, 81270, 81275, 81280, 81290, 81291, 81292, 81301, 81302, 81304, 81310, 81315, 81330, 81331, 81342, 81350, 81372, 81373, 81374, 81376, 81380, 81381, 81382, and 81383.

**B** = Test codes 81201, 81202, 81203, 81205, 81224, 81250, 81253, 81264, 81267, 81281, 81293, 81294, 81295, 81296, 81297, 81298, 81299, 81300, 81303, 81317, 81318, 81319, 81321, 81322, 81323, 81324, 81325, 81332, 81340, 81341, 81355, 81375, 81377, and 81379.

**C** = Test codes 81211, 81212, 81214, 81215, 81216, 81217, 81266, 81268, 81282, 81370, 81371, and 81378.

**D** = Test code 81208.

**E** = Test code 81213.

**F** = Test codes 81400, 81401, 81402, 81403, 81404, 81405, 81406, 81407, and 81408.

## 5. **Palmetto**

Palmetto GBA established the Molecular Diagnostic Services Program (MolDX) during 2011 as a program that would define a clear, evidence-based process to ensure clinical utility, manage molecular diagnostic services, and measure the impact these molecular diagnostic services have on cost and care. This program was also used to identify and establish coverage and payment for molecular diagnostic tests. In order to establish appropriate coverage and payment for MolDX claims, Palmetto GBA required additional information from the laboratories on each MolDX test. The providers of these tests were required to submit the information through an application and registration process. Based on the information provided, Palmetto GBA applied multiple methodologies appropriate to the specific test to determine an equitable value for each submitted test. More information about the details of this project can be reviewed at <http://www.palmettogba.com> and then by searching on MolDX.

Please note that MACs were allowed to consult with each other and were encouraged to collaborate as part of the gapfill pricing process and, as a result, we note that additional MACs, to a certain extent, used the Palmetto GBA MolDX rationale for tests for which they received claims in their jurisdictions.