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Implementation Date: April 4, 2005

Payment for Referred Laboratory Automated Multi-Channel Chemistry (AMCC) Tests

Note: This article was updated on April 6, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

Providers of laboratory services

Provider Action Needed

This article summarizes the revised Medicare payment guidelines for automated multi-channel chemistry (AMCC) laboratory tests that a billing laboratory refers to other laboratories located outside of your carrier's processing jurisdiction.

Background

The Medicare Claims Processing Manual, Publication 100-04, Chapter 16, Section 90 (Automated Profile Tests and Organ/Disease Oriented Panels) provides that Medicare-covered laboratory tests may be billed either individually or as organ/disease panels.

In either case, your carrier must group the individual tests together, and consider the price of all of the related AMCC tests performed on the same day by the same physician/supplier, for a particular beneficiary.

The current guidelines for calculating the amounts payable for laboratory AMCC tests/panels do not require contractors to distinguish between:

- Those tests/panels that were performed by the billing laboratory; and
- Those that were referred to another laboratory and billed by the referring laboratory.

CR3483 changes this policy for all AMCC tests. Effective April 1, 2005, if AMCC tests/panels are referred to another laboratory(s) for processing, your carrier must

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calculate the amount payable for each locality in which the particular test or panel is performed.

Carrier's Payment Process

The following are the general steps in your carrier's payment process (as outlined in Chapter 16, Section 90 of the *Medicare Claims Processing Manual*).

1. Deny Duplicates

Claims with the following characteristics will be considered as duplicates and will be denied:

- The service was performed by the same provider,
- For the same beneficiary, and
- For the same date of service.

2. Determine Medical Necessity

3. Process the claims using the following procedure to calculate the amounts payable for the individual AMCC tests and AMCC panels.

a. Unbundle all panels down to single lines representing individual AMCC tests, and identify duplicate tests within the claim. On concurrently processed claims, the carrier will determine the total amount payable based on the combination of all AMCC tests billed by the same laboratory, for the same beneficiary, and for the same date of service.

b. Check previously processed claims for AMCC services provided by the same provider for the same day to the same beneficiary; the carrier will unbundle any panels, identify duplicate services, and aggregate all nonduplicate services for pricing (include the submitted charge and paid amounts for both individually and paneled billed claims).

If a single organ disease panel or a single chemistry panel contains the only AMCC test claims for that date of service, the carrier will adjudicate as billed.

c. Compare each line's submitted charge to the fee schedule for that code including automated tests retrieved from previously processed claims.

d. Add the comparisons line by line.

e. Obtain the fee for all AMCC tests as a panel, including all services in the history. If organ disease panels are involved, this amount would include fees for no automated test included in the organ disease panel.

f. The carrier will carry forward the lesser of items d or e.

g. For steps (a-c) above, when one or more tests have been referred to another laboratory for processing, the carrier will calculate each claim price by locality, using the fee schedule amount for each locality.

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The carrier will use the total number of allowable AMCC tests (both referred and nonreferred) to calculate the amount payable for each test.

EXAMPLE: if three tests are performed within the local carrier's jurisdiction and two are referred to another laboratory for processing:

1. Determine the amount payable for the five tests in each payment jurisdiction.
2. Divide the total fee schedule amount for all tests being priced by the total number of allowable AMCC tests (in this example, five tests). The result is the unit price for each test.
3. Multiply this result by the total number of AMCC tests performed within each pricing jurisdiction. In this example, three tests were performed in jurisdiction 1 and two tests were performed in jurisdiction 2.
4. Repeat this process for each pricing jurisdiction. In this example, there are two pricing jurisdictions. In jurisdiction 1, the amount payable is calculated by dividing the total fee schedule amount for jurisdiction 1 by five, and multiplying the result by three. Similarly, the amount payable for jurisdiction 2 is calculated by dividing the total fee schedule amount for jurisdiction 2 by five, and multiplying the result by two.
5. Add the two results (i.e., jurisdiction 1 amount + jurisdiction 2 amount).
6. Compare this calculated amount to the submitted charges for the AMCC tests to determine the amount payable. The amount payable is the lower of the fee schedule amount versus the submitted charges.

h. Your carrier will carry forward the lesser of either the fee schedule amount or the submitted charges, as determined in step g.

i. Your carrier will subtract from the amount in item (h) any previous automated laboratory test (individual or paneled) or organ disease panel containing automated tests payments. If nothing is payable on the claim, the carrier will accept the claim with no payment.

j. The amount payable is the total payable based on the combination of current and previously processed claims, less the total amount paid on the previous claim(s).

The above description is an example only. Your carrier has the flexibility to vary these procedures as long as they attain the same result.

Additional Information

You can find more information about these changes by viewing the official instruction issued to your carrier. That instruction is available at

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<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R372CP.pdf> on the CMS website.

Finally, if you have any questions, please contact your carrier at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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