

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



**News Flash** – A new publication titled “Care Giving Education” (September 2010) is now available in downloadable format from the Medicare Learning Network® at [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MLN\\_CaregivingEducation.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MLN_CaregivingEducation.pdf) on the Centers for Medicare & Medicaid Services (CMS) website. Medicare will pay for certain types of caregiver education when it is provided as part of a patient’s medically-necessary face-to-face visit. This publication provides information on how to bill for caregiver education under Medicare Parts A and B.

MLN Matters® Number:MM7294

Related Change Request (CR) #: 7294

Related CR Release Date: January 21, 2011

Effective Date: For Cost Reporting Periods beginning on or after July 1, 2011, through June 30, 2012

Related CR Transmittal #: R2136CP

Implementation Date: July 5, 2011

## **Medicare and Medicaid Extenders Act of 2010 (MMEA) Extension of Reasonable Cost Payment for Clinical Lab Tests Furnished by Hospitals with Fewer Than 50 Beds in Qualified Rural Areas**

**Note:** This article was updated on August 6, 2012, to reflect current Web addresses. Previously, it was revised on February 4, 2011, to correct the effective dates (shown above). All other information is the same.

### **Provider Types Affected**

Hospitals with fewer than 50 beds in qualified rural area, submitting claims to Medicare Fiscal Intermediaries (FIs) or Medicare Administrative Contractors (A/B MACs), for outpatient clinical laboratory tests provided to Medicare beneficiaries are affected.

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## Provider Action Needed

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Change Request (CR) 7294, from which this article is taken, provides instruction to FIs and A/B MACs (effective for cost reporting periods beginning on or after July 1, 2011, through June 30, 2012) to extend the reasonable cost payment for clinical laboratory tests that furnish as part of your outpatient services.

You should make sure that your billing staffs are aware of this clinical laboratory test payment extension.

## Background

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- In compliance with Section 416 of the Medicare Modernization Act (MMA) of 2003, on February 13, 2004, CMS issued CR3130 entitled: "MMA - Outpatient Clinical Laboratory Tests Furnished by Hospitals with Fewer Than 50 Beds in Qualified Rural Areas;" which implemented procedures to provide reasonable cost payment for outpatient clinical laboratory tests that hospitals with fewer than 50 beds furnished in qualified rural areas for cost reporting periods, beginning during the 2-year period beginning on July 1, 2004. Please refer to the associated article (MM3130) at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM3130.pdf> on the CMS website.
- In compliance with Section 105 of the Tax Relief and Health Care Act (TRHCA) of 2006, on February 2, 2007, CMS issued CR 5493 entitled: "Outpatient Clinical Laboratory Tests Furnished by Hospitals With Fewer Than 50 Beds in Qualified Rural Areas;" to extend the 2-year provision outlined within CR 3130 for an additional cost-reporting year. Please refer to the associated article (MM5493) at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/mm5493.pdf> on the CMS website.
- Section 107 of the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007 extended reasonable cost payment for clinical laboratory tests performed by hospitals with fewer than 50 beds in qualified rural areas as part of their outpatient services for cost reporting periods beginning on or after July 1, 2004, through June 30, 2008. For some hospitals, this affected services performed as late as June 30, 2009.
- Section 3122 of the Patient Protection and Affordable Care Act of 2010 re-instituted reasonable cost payment for clinical laboratory tests performed by hospitals with fewer than 50 beds in qualified rural areas as part of their outpatient services for cost reporting periods beginning on or after July 1, 2010, through June 30, 2011. For some hospitals, this could affect services performed as late as June 30, 2012.

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- CR7294, from which this article is taken, announces that Section 109 of the Medicare and Medicaid Extenders Act of 2010 (MMEA) extends reasonable cost payment for clinical laboratory tests performed by hospitals with fewer than 50 beds in qualified rural areas as part of their outpatient services for another year to include cost reporting periods beginning on or after July 1, 2011, through June 30, 2012. For some hospitals, this could affect services performed as late as June 30, 2013.

**NOTES:**

1. A qualified rural area (as identified using the Medicare ZIP Code File) is defined as one with a population density in the lowest quartile of all rural county populations.
2. Effective for an **entire** cost reporting period beginning on or after July 1, 2011, through June 30, 2012, your FI or A/B MAC will calculate your payment for clinical laboratory services (on a Revenue Code 030X line submitted on either a 12X or 13X Type of Bill) on a reasonable cost basis.
3. Medicare beneficiaries are not liable for any deductible, coinsurance, or any other cost-sharing amount.

## Additional Information

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You can find the official instruction, CR7294, issued to your FI or A/B MAC by visiting <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2136CP.pdf> on the CMS website.

If you have any questions, please contact your FI or A/B MAC 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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