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## Provider Compliance Tips for Laboratory Tests - Other

### Provider Types Affected:

- Physicians and other eligible professionals who write requisitions or orders for laboratory tests – other (urine drug screening, medication assays, genetic tests, tissues examination, blood tests, and others)\*.

### Background

The [Supplementary Appendices for the Medicare Fee-For-Service 2015 Improper Payments Report](#) showed that lab tests – other had an improper payment rate of 39 percent. The vast majority of these improper payments were due to insufficient documentation.

### Reasons for Denials

1. Insufficient or no documentation to support the intent to order the test
2. Insufficient or no documentation to support the medical necessity for the test of the individual patient
3. Unsigned medical record documentation by the treating physician or non-physician practitioner

\* This is a very broad category of Part B services, which includes HCPCS (Healthcare Common Procedure Coding System) codes for pathology and laboratory services. The category is BETOS (Berenson-Eggers Type of Service) Code category T1H "Lab tests - other (non-Medicare fee schedule)".

## To Prevent Denials

Based on [42 Code of Federal Regulation \(CFR\) 410.32](#), the following conditions must be met:

- All diagnostic x-ray tests, diagnostic laboratory tests, and other diagnostic tests must be ordered by the treating physician and other eligible professionals; that is, the physician who furnishes a consultation or treats a beneficiary for a specific medical problem and who uses the results in the management of the beneficiary's specific medical problem. Tests ordered by a physician who is not treating the beneficiary are not reasonable and necessary.
- All diagnostic x-ray tests, diagnostic laboratory tests, and other diagnostic tests must be ordered for the treatment of the individual patient. Medicare defines any orders that do not specifically address an individual patient's unique illness, injury or medical status, as not reasonable and necessary.
- The physician or other eligible professional who ordered the service must maintain documentation of medical necessity in the beneficiary's medical record.
- Entities submitting a claim must maintain documentation received from the ordering physician or other eligible professional.



Examples of documentation that may be requested for medical review of claims for laboratory tests are:

- Clinical evaluations, physician evaluations, consultations, progress notes, physician's office records, hospital records, nursing home records, home health agency records, records from other healthcare professionals and test reports. This documentation is maintained by the physician and/or provider.
- Other documents include any records needed from a biller in order to conduct a review and reach a claim determination.

### Orders

According to [Chapter 15, Section 80.6 of the "Medicare Benefit Policy Manual,"](#) an order may be delivered via the following forms of communication:

- A written document signed by the treating physician/eligible professional, which is hand-delivered, mailed, or faxed to the testing facility. Although no signature is required on orders for clinical diagnostic tests paid on the basis of the clinical laboratory fee schedule, the physician fee schedule, or for physician pathology services, documentation in the medical record must show intent to order and medical necessity for the testing
- A telephone call by the treating physician/eligible professional or his/her office to the testing facility for transcription of a verbal order
- An electronic mail by the treating physician/eligible professional or his/her office to the testing facility

If the order is communicated via telephone, both the treating physician/eligible professional or his/her office, and the testing facility must document the telephone call in their respective copies of the beneficiary's medical records. While a physician/eligible professional order is not required to be signed, the physician/eligible professional must clearly document, in the medical record, his or her intent that the test be performed.

## Resources

The following resources will help physicians and other professionals avoid improper payments as a result of orders for laboratory tests - other:

For More Information About...	Resource
The Supplementary Appendices for the Medicare Fee-For-Service 2015 Improper Payments Report	<a href="https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports-Items/Downloads/AppendicesMedicareFee-for-Service2015ImproperPaymentsReport.pdf">https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports-Items/Downloads/AppendicesMedicareFee-for-Service2015ImproperPaymentsReport.pdf</a>
42 CFR 410.32	<a href="https://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/xml/CFR-2011-title42-vol2-sec410-32.xml">https://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/xml/CFR-2011-title42-vol2-sec410-32.xml</a>
Chapter 15, Section 80.6 of the “Medicare Benefit Policy Manual”	<a href="https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf">https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf</a>

## Hyperlink Table

Embedded Hyperlink	Complete URL
Supplementary Appendices for the Medicare Fee-For-Service 2015 Improper Payments Report	<a href="https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports-Items/Downloads/AppendicesMedicareFee-for-Service2015ImproperPaymentsReport.pdf">https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/CERT/CERT-Reports-Items/Downloads/AppendicesMedicareFee-for-Service2015ImproperPaymentsReport.pdf</a>
42 Code of Federal Regulation (CFR) 410.32	<a href="https://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/xml/CFR-2011-title42-vol2-sec410-32.xml">https://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol2/xml/CFR-2011-title42-vol2-sec410-32.xml</a>
Chapter 15, Section 80.6 of the “Medicare Benefit Policy Manual”	<a href="https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf">https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf</a>



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