PROVIDER COMPLIANCE TIPS FOR LABORATORY TESTS-OTHER (NON-MEDICARE FEE SCHEDULE)

PROVIDER TYPES AFFECTED
Physicians and Non Physician Practitioners (NPPs) who write requisitions or orders for laboratory tests

BACKGROUND
Laboratory Tests – Other (non-Medicare fee schedule) is a very broad category of Part B services, which includes Healthcare Common Procedure Coding System (HCPCS) codes for pathology and laboratory services. The category is Berenson-Eggers Type of Service (BETOS) Code category T1H “Lab tests - other (non-Medicare fee schedule)”. Examples of these services are urine drug screening, medication assays, genetic tests, tissue examination, blood tests, and others.
The Medicare Fee-For-Service (FFS) improper payment rate for lab tests - other (non-Medicare fee schedule) for the 2017 reporting period was 32.4 percent, representing a projected improper payment amount of $1.1 billion. The vast majority of these improper payments were due to insufficient documentation.

**TO PREVENT DENIALS**

The following conditions must be met:

- Laboratory tests must be ordered by the physician or NPP who is treating the beneficiary, 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 not ordered by the physician or NPP who is treating the beneficiary are not reasonable and necessary.

- The physician or qualified NPP who ordered the test 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 NPP.

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.

- Supplier/lab notes include all documents that are submitted by suppliers, and labs in support of the claim.

- Other documents include any records needed from a biller in order to conduct a review and reach a conclusion about the claim.

**ORDERS**

An order may be delivered via the following forms of communication:

- A written document signed by the treating physician/practitioner, 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/practitioner or his/her office to the testing facility.

- An electronic mail by the treating physician/practitioner or his/her office to the testing facility.

If the order is communicated via telephone, both the treating physician/practitioner 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 order is not required to be signed, the physician must clearly document, in the medical record, his or her intent that the test be performed.
## RESOURCES

<table>
<thead>
<tr>
<th>FOR MORE INFORMATION ABOUT...</th>
<th>RESOURCE</th>
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