
Program Memorandum Intermediaries

**Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)**

Transmittal A-01-31

Date: MARCH 1, 2001

CHANGE REQUEST 1568

SUBJECT: Clinical Diagnostic Laboratory Tests Furnished by Critical Access Hospitals (CAHs)

This Program Memorandum (PM) contains payment instructions implementing section 201 of the Benefits Improvement and Protection Act of 2000 (BIPA 2000) – “Clarification of No Beneficiary Cost-Sharing for Clinical Diagnostic Laboratory Tests Furnished by Critical Access Hospitals.”

Effective for services furnished on or after the enactment of Balanced Budget Refinement Act of 1999 (BBRA), Medicare beneficiaries are not liable for any coinsurance, deductible, co-payment, or other cost sharing amount with respect to clinical diagnostic laboratory services furnished as a CAH outpatient service. The effective date is November 29, 1999; however, the implementation date is July 1, 2001. Begin processing lab claims on a reasonable cost basis, with no adjustment for deductible or coinsurance amounts, on July 1, 2001, with a service date of November 29, 1999, or later.

Further instructions, on adjustments for any CAH that was paid under the fee schedule for outpatient lab services furnished on or after the BBRA effective date, November 29, 1999, through June 30, 2001, will be released at a later date.

The effective date for this PM is November 29, 1999.

The implementation date for this PM is July 1, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2002.

If you have any questions concerning this PM, contact Doris Barham at (410) 786-6146 or George Morey at (410) 786-4653.