



Information about LCDs and LCD Challenges

Section 522 of the Benefits Improvement and Protection Act (BIPA) defines an LCD as a decision by a fiscal intermediary (FI) or carrier whether to cover a particular service on an intermediary-wide or carrier-wide basis in accordance with Section 1862(a)(1)(A) of the Social Security Act (e.g., a determination as to whether the service or item is reasonable and necessary).

FIs, Carriers, and Medicare Administrative Contractors (MACs) are Medicare contractors that develop and/or adopt LCDs. Medicare contractors develop LCDs when there is no National Coverage Determination (NCD) or when there is a need to further define an NCD. The guidelines for LCD development are provided in Chapter 13 of the Medicare Program Integrity Manual.

A local policy may consist of two separate, though closely related documents: the LCD and an associated article. The LCD only contains reasonable and necessary language. Any non-reasonable and necessary language a Medicare contractor wishes to communicate to providers may be done through the article. At the end of an LCD that has an associated article, there is a link to the related article and vice versa.