Decision Memo for Blood Counts (Addition of ICD-9-CM Codes V77.1, V81.0, V81.1, and V81.2 to the list of Codes that Do Not Support Medical Necessity) (CAG-00285N)

Decision Summary

CMS has determined that ICD-9-CM diagnosis codes V77.1, Special screening for diabetes mellitus, V81.0, Special screening for ischemic heart disease, V81.1, Special screening for hypertension, and V81.2, Special screening for other and unspecified cardiovascular conditions, do not flow from the existing narrative for conditions for which blood counts testing is reasonable and necessary. We intend to modify the list of "ICD-9-CM Codes that Do Not Support Medical Necessity" in the NCD for blood counts by adding codes V77.1, V81.0, V81.1, and V81.2.

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Decision Memo

This coding analysis does not constitute a national coverage determination (NCD). It states the intent of the Centers for Medicare & Medicaid Services (CMS) to issue a change to the list of ICD-9-CM Codes That Do Not Support Medical Necessity that are linked to one of the negotiated laboratory NCDs. This decision will be announced in an upcoming recurring update notification in accordance with CMS Pub 100-4, Chapter 16, section 120.2 and will become effective as of the date listed in the transmittal that announces the revision.

To: Administrative File: CAG-00285N Blood Counts (Addition of ICD-9-CM Codes, V77.1, V81.0, V81.1 and V81.2 to the list of Codes the Do Not Support Medical Necessity

From:

Steve E. Phurrough, MD, MPA
Director, Coverage and Analysis Group

Louis Jacques, MD
Director, Division of Items and Devices

James Rollins, MD, PhD, MSHA
Medical Officer, Division of Items and Devices

Jackie Sheridan-Moore
Technical Advisor, Division of Items and Devices

Re: Coding Analyses for Blood Counts

Date: March 15, 2005

I. Decision

CMS has determined that ICD-9-CM diagnosis codes V77.1, Special screening for diabetes mellitus, V81.0, Special screening for ischemic heart disease, V81.1, Special screening for hypertension, and V77.2, Special screening for other and unspecified cardiovascular conditions, do not flow from the existing narrative for conditions for which blood counts testing is reasonable and necessary. We intend to modify the list of "ICD-9-CM Codes that Do Not Support Medical Necessity" in the NCD for blood counts by adding codes V77.1, V81.0, V81.1, and V81.2.

II. Background

On January 31, 2005, CMS began a coding analysis for evaluation of the ICD-9-CM "Codes That Do Not Support Medical Necessity" list for the blood counts NCD. Blood counts are used to evaluate and diagnose diseases relating to abnormalities of the blood or bone marrow. These include primary disorders such as anemia, leukemia, polycythemia, thrombocytosis and thrombocytopenia. Many other conditions secondarily affect the blood or bone marrow, including reaction to inflammation and infections, coagulopathies, neoplasms, and exposure to toxic substances. Many treatments and therapies affect the blood or bone marrow, and blood counts may be used to monitor treatment effects.

III. History of Medicare Coverage

In accordance with section 4554 of the Balanced Budget Act of 1997, CMS entered into negotiations with the laboratory community regarding coverage and administrative policies for clinical diagnostic laboratory services. As part of these negotiations, we promulgated a rule that included 23 NCDs. These NCDs included blood counts. The rule was proposed in the March 10, 2000 edition of the *Federal Register* (65 FR 13082) and was made final on November 23, 2001 (66 FR 58788). The final rule called for a 12-month delay in effectuating the NCDs in accordance with the recommendations of the negotiating committee. Thus, the NCDs became effective on November 25, 2002.

In the laboratory NCDs, CMS determined that specific tests were reasonable and necessary for certain medical indications. These decisions were evidence-based, relying on scientific literature reviewed by the negotiating committee. The NCDs contain a narrative describing the indications for which the test is reasonable and necessary. We also developed a list of ICD-9-CM codes that designate diagnoses/conditions that fit within the narrative description of indications that support the medical necessity of the test. This list is entitled "ICD-9-CM Codes Covered by Medicare," and includes codes where there is a presumption of medical necessity.

In addition, we developed two other ICD-9-CM code lists. The second list is entitled “ICD-9-CM Codes Denied,” and lists diagnosis codes that are never covered by Medicare. The third list is entitled “ICD-9-CM Codes That Do Not Support Medical Necessity,” and includes codes that generally are not considered to support a decision that the test is reasonable and necessary, but for which there are limited exceptions. Tests in this third category may be covered when they are accompanied by additional documentation that supports a determination of reasonable and necessary. We determined in the blood count NCD that any ICD-9-CM code not listed in either of the ICD-9-CM Codes Denied or Codes That Do Not Support Medical Necessity sections would be categorized into the group that are covered by Medicare.

IV. Timeline of Recent Activities

On January 31, 2005, CMS open an internally generated coding analysis item regarding blood counts after noting that codes V77.1, V81.0, V81.1, and V81.2 that were previously denied coverage by inclusion on the list of ICD-9-CM Codes Denied list were now covered. These codes were removed from the Codes Denied list effective January 1, 2005 as part of the implementation of the new diabetes and cardiovascular screening benefits authorized under the Medicare Modernization Act. Because of the structure of the covered code list for blood counts (all ICD-9-CM codes not on the Codes Denied or Codes That Do Not Support Medical Necessity list), removal of these codes inadvertently resulted in the codes being covered.

We posted a tracking sheet to the Internet site (http://cms.hhs.gov/mcd/viewtrackingsheet.asp?id=150), soliciting public comment for 30 days on the appropriateness of Adding codes V77.1, V81.0, V81.1 and V81.2 to the list of Codes That Do Not Support Medical Necessity for blood counts. At the end of the public comment period, March 2, 2005, we had not received any comments.

V. General Methodological Principles

During the negotiation meetings that led to the development of the 23 clinical diagnostic laboratory NCDs, we stated our intent that the narrative of the NCDs reflect the substance of the determinations. The addition of the coding lists was intended as a convenience to the laboratories and as a means of ensuring consistency among the Medicare claims processing contractors as they interpreted the narrative conditions that support coverage. Thus, all of the codes in the covered code list must flow from the narrative indications of the NCD. We reiterated this position in the November 23, 2001 final rule (66 FR 58795) and in subsequent implementing instructions (Program Memorandum AB-02-110).

VI. CMS Analysis

As noted above, we have taken the position that the “ICD-9-CM Codes Covered by Medicare” list is intended to contain only those codes that flow from the narrative of the indication in the NCD. The blood counts NCD lists a broad basis for performing the test, none of which are related to diabetes or cardiovascular screening. Further, the limitations section of the blood counts NCD narrative includes a statement:

“Testing of patients who are asymptomatic, or who do not have a condition that could be expected to result in a hematological abnormality, is screening and is not a covered service.”

We believe that the ICD-9-CM codes V77.1, Special screening for diabetes mellitus, V81.0, Special screening for ischemic heart disease, V81.1, Special screening for hypertension, and V81.2, Special screening for other and unspecified cardiovascular conditions, do not flow from the existing narrative indications included in the NCD. Further, we believe the codes do flow from the limitations statement in the NCD which excludes the presumption of these screening codes from medical necessity. We believe coverage occurred as a result of a change in removing the codes from the Codes Denied list that was part of the implementation of the new diabetes and cardiovascular screening benefit. Coverage was an inadvertent function of the NCD structure and not a deliberate decision that the codes flowed from the narrative. Consequently, we intend to issue a recurring update to the edit module implementing the NCDs to add ICD-9-CM codes V77.1, V81.0, V81.1, and V81.2 to the list of the ICD-9-CM codes that do not support medical necessity for blood counts.

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