Related MLN Matters Article #: MM3483

Date Posted: January 10, 2005

Related CR #: 3483

Payment for Referred Laboratory Automated Multi-Channel Chemistry (AMCC) Tests

Key Words

MM3483, CR3483, R372CP, AMCC, Laboratory

Provider Types Affected

Providers of laboratory services

Key Points

- The effective date of the instruction is April 1, 2005.
- The implementation date is April 4, 2005.
- MLN Matters article MM3483 summarizes the revised Medicare payment guidelines for AMCC laboratory tests that a billing laboratory refers to other laboratories located outside of the carrier's processing jurisdiction.
- Effective April 1, 2005, if AMCC tests/panels are referred to another laboratory(s) for processing, the carrier must calculate the amount payable for each locality in which the particular test or panel is performed.
- The following are the general steps in the carrier's payment process as outlined in Chapter 16, Section 90 of the *Medicare Claims Processing Manual*:
    1. Deny duplicates
    2. Determine medical necessity
    3. Process the claims using the following procedure to calculate the amounts payable for the individual AMCC tests and AMCC panels:
        a. Unbundle all panels down to single lines representing individual AMCC tests, and identify duplicate tests within the claim. On concurrently processed claims, the carrier will determine the total amount payable based on the combination of all AMCC tests billed by the same laboratory, for the same beneficiary, and for the same date of service;
        b. Check previously processed claims for AMCC services provided by the same provider, for the same day, to the same beneficiary; the carrier will unbundle any panels, identify duplicate services, and aggregate all nonduplicate services for pricing (include the submitted charge and

paid amounts for both individually and paneled billed claims). If a single organ disease panel or a single chemistry panel contains the only AMCC test claims for that date of service, the carrier will adjudicate as billed;

c. Compare each line's submitted charge to the fee schedule for that code including automated tests retrieved from previously processed claims;

d. Add the comparisons line by line;

e. Obtain the fee for all AMCC tests as a panel, including all services in the history. If organ disease panels are involved, this amount would include fees for no automated test included in the organ disease panel;

f. The carrier will carry forward the lesser of items d or e;

g. For steps (a-c) above, when one or more tests have been referred to another laboratory for processing, the carrier will calculate each claim price by locality using the fee schedule amount for each locality. The carrier will use the total number of allowable AMCC tests (both referred and non-referred) to calculate the amount payable for each test;

h. The carrier will carry forward the lesser of either the fee schedule amount or the submitted charges, as determined in step g;

i. The carrier will subtract from the amount in item (h) any previous automated laboratory test (individual or paneled) or organ disease panel containing automated tests payments. If nothing is payable on the claim, the carrier will accept the claim with no payment; and

j. The amount payable is the total payable based on the combination of current and previously processed claims, less the total amount paid on the previous claim(s).

Important Links

The related MLN Matters article can be found at *http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3483.pdf* on the CMS website.

The official instruction (CR3483) regarding this change may be viewed at *http://www.cms.hhs.gov/transmittals/Downloads/R372CP.pdf* on the CMS website.

If affected providers have any questions, they should contact their carrier at their toll-free number, which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.