
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-00-73

Date: AUGUST 11, 2000

CHANGE REQUEST 1309

SUBJECT: Proper Billing of Outpatient Pathology Services under the Outpatient Prospective Payment System (OPPS)

The purpose of this program memorandum (PM) is to delay until January 1, 2001 implementation of the hospital outpatient rebundling requirements for independent laboratories that furnish pathology services to hospital outpatients. Under the hospital outpatient rebundling provisions set forth in §410.42(a), independent laboratories cannot bill for the technical component of a pathology service under OPPS. Hospitals must provide directly or under arrangements all services furnished to hospital outpatients. Therefore, if a specimen (e.g. tissue, blood, urine) is taken from a hospital outpatient, the facility or technical component of the diagnostic test must be billed by the hospital. Only in cases where the patient leaves the hospital and obtains the service elsewhere is the hospital not required to bill for the service.

In the Medicare physician fee schedule final rule published in the *Federal Register* on November 2, 1999, HCFA required hospitals to bill for the technical component of pathology services furnished to its inpatients. Based on public comments received, it was decided to delay implementation of that rebundling requirement until January 1, 2001 to allow independent laboratories and hospitals sufficient time to negotiate arrangements. To be consistent with the inpatient requirement, the same delay will be allowed for rebundling of the technical component of pathology services furnished to hospital outpatients. Therefore, the following pathology services furnished by independent laboratories to hospital outpatients on or after August 1, 2000 and before January 1, 2001 may continue to be paid by the carrier under the Medicare physician fee schedule:

<u>HCPCS CODE</u>	<u>SHORT DESCRIPTOR</u>
85060	Blood smear interpretation
88160	Cytopath smear, other source
88199	Cytopathology procedure
88300	Surgical path, gross
88302	Tissue exam by pathologist
88311	Decalcify tissue
88313	Special stains
88319	Enzyme histochemistry
88321	Microslide consultation
88399	Surgical pathology procedure
80500	Lab pathology consultation
80502	Lab pathology consultation
86077	Physician blood bank service
88104	Cytopathology, fluids
88106	Cytopathology, fluids
88107	Cytopathology, fluids
88108	Cytopath, concentrate tech
88125	Forensic cytopathology
88161	Cytopath smear, other source
88162	Cytopath smear, other source

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<u>HCPCS CODE</u>	<u>SHORT DESCRIPTOR</u>
88172	Evaluation of smear
88173	Interpretation of smear
88304	Tissue exam by pathologist
88305	Tissue exam by pathologist
88312	Special stains
88314	Histochemical stain
88318	Chemical histochemistry
88323	Microslide consultation
88325	Comprehensive review of data
88329	Pathology consult in surgery
88331	Pathology consult in surgery
88332	Pathology consult in surgery
88346	Immunofluorescent study
88362	Nerve teasing preparations
89399	Pathology lab procedure
85097	Bone marrow interpretation
86078	Physician blood bank service
86079	Physician blood bank service
88180	Cell marker study
88182	Cell marker study
88307	Tissue exam by pathologist
88309	Tissue exam by pathologist
88342	Immunocytochemistry
88347	Immunofluorescent study
88348	Electron microscopy
88349	Scanning electron microscopy
88355	Analysis, skeletal muscle
88356	Analysis, nerve
88358	Analysis, tumor
88365	Tissue hybridization
89350	Sputum specimen collection
89360	Collect sweat for test

The *effective date* for this PM is August 1, 2000.

The *implementation date* for this PM is August 14, 2000.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 1, 2002.

If you have any questions, contact Janet Wellham at 410-786-4510.