Medicare Learning Network
MLN Matters®
CMS
Information for Medicare Fee-For-Service Health Care Professionals

MLN Matters Number: MM3481
Related Change Request (CR) #: 3481
Related CR Release Date: October 29, 2004
Effective Date: April 1, 2005
Related CR Transmittal #: 341
Implementation Date: April 4, 2005

Implementation of the Medicare Physician Fee Schedule (MPFS) National Abstract File for Purchased Diagnostic Tests and Interpretations

Note: Note: This article was updated on April 6, 2013, to reflect current Web addresses. This article was previously revised on July 31, 2007, to add a reference to CR5543 (http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1250CP.pdf), which replaced the temporary physician billing instructions specified in CR3630 with new billing procedures effective October 1, 2007. The new procedures allow all physicians and suppliers to receive the correct payment amount for all purchased diagnostic services (based on the ZIP code of the location where the service was rendered). The related article (MM5543) may be found on http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5543.pdf on the CMS website.

Some Medicare carriers use a claims processing system (known as the ViPS Medicare Part B system) to process Medicare claims. These carriers will not implement this change at this time. Those carriers are:

- Empire Medicare Services
- Blue Cross Blue Shield of Kansas
- Triple-S
- GHI

Until further notice, physicians, laboratories, and independent diagnostic testing facilities who bill these carriers should continue to follow the billing instructions provided in CR3630 issued on December 23, 2004.That CR can be found at http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/r415cp.pdf on the CMS website.

Also, a corresponding MLN Matters article related to CR3630 may be found at http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM3630.pdf on the CMS website.

Provider Types Affected

Physicians, laboratories, and independent diagnostic testing facilities

Provider Action Needed

This instruction implements a national abstract file of the Medicare Physician Fee Schedule (MPFS) containing Healthcare Common Procedural Coding System (HCPCS) codes billable as purchased diagnostic tests and interpretations, for every locality throughout the country.

Effective April 1, 2005, suppliers, including laboratories, physicians, and independent diagnostic testing facilities, must bill their local carrier for purchased diagnostics tests and interpretations, regardless of the location where the service was furnished. The Centers for Medicare & Medicaid Services (CMS) recognizes that the abstract file for purchased diagnostic tests/interpretations may not include all diagnostic services that may be purchased. Suppliers may request to add other HCPCS codes that are billable as purchased services to this file by sending a note to CMS at the following address:

Centers for Medicare & Medicaid Services
Centers for Medicare Management/Provider Billing Group/Division of Supplier Claims Processing
7500 Security Blvd.
Baltimore, MD 21244

CMS will review these requests periodically to determine whether code additions or deletions are needed, and will make updates to the abstract file in conjunction with the MPFS quarterly releases.

The billing physicians/suppliers should be aware that they are responsible for ensuring that the physician or supplier that furnished the purchased test/interpretation is enrolled with Medicare and is in good standing (i.e., the physician/supplier is not sanctioned, barred, or otherwise excluded from participating in the Medicare program).

The Office of Inspector General (OIG) maintains a database of information concerning parties that are excluded from participation in the Medicare, Medicaid, or other Federal health programs. The OIG exclusions database is available to the public on the OIG website at *http://oig.hhs.gov/fraud/exclusions.asp* on the Internet.

Suppliers may access this database, or use another available source, to determine whether a physician/supplier is eligible to participate with Medicare prior to billing for a purchased diagnostic test or interpretation.

Background

CR3481 implements a national abstract file of the MPFS containing HCPCS codes billable as a purchased diagnostic test/interpretation, for every locality throughout the country. Effective with the implementation of the abstract file on April 4, 2005,

carrier jurisdiction rules for purchased diagnostic tests/interpretations will be changed to allow suppliers to bill their local carriers for these services and receive the correct payment amount, regardless of the location where the service was performed. Carrier jurisdictional pricing rules for all other services payable under the MPFS will remain in effect.

Additional Information

The revised portions of the *Medicare Claims Processing Manual* related to this change are attached to the official instruction issued to your carrier. That instruction may be found at http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R341CP.pdf on the CMS website.

If you have any questions, please contact your carrier at their toll-free number, which can be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.