

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3934	Date : December 15, 2017
	Change Request 10409

SUBJECT: Calendar Year (CY) 2018 Annual Update for Clinical Laboratory Fee Schedule and Laboratory Services Subject to Reasonable Charge Payment

I. SUMMARY OF CHANGES: This Recurring Update Notification (RUN) provides instructions for the CY 2018 clinical laboratory fee schedule, mapping for new codes for clinical laboratory tests, and updates for laboratory costs subject to the reasonable charge payment. This RUN applies to chapter 16, section 20.

EFFECTIVE DATE: January 1, 2018

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: January 2, 2018

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

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I. GENERAL INFORMATION

A. Background: This Recurring Update Notification (RUN) provides instructions for the CY 2018 clinical laboratory fee schedule, mapping for new codes for clinical laboratory tests, and updates for laboratory costs subject to the reasonable charge payment. This RUN applies to chapter 16, section 20.

B. Policy: Fee Schedule Through December 31, 2017

Outpatient clinical laboratory services are paid based on a fee schedule in accordance with Section 1833(h) of the Social Security Act (the Act). Payment is the lesser of the amount billed, the local fee for a geographic area, or a national limit. In accordance with the statute, the national limits are set at a percent of the median of all local fee schedule amounts for each laboratory test code. Each year, fees are updated for inflation based on the percentage change in the Consumer Price Index. However, legislation by Congress can modify the update to the fees. Co-payments and deductibles do not apply to services paid under the Medicare clinical laboratory fee schedule.

Each year, new laboratory test codes are added to the clinical laboratory fee schedule and corresponding fees are developed in response to a public comment process.

For cervical or vaginal smear tests (pap smear), the fee cannot be less than a national minimum payment amount, initially established at \$14.60 and updated each year for inflation, as stated in Section 1833(h)(7) of the Act.

Fee Schedule Beginning January 1, 2018

Effective January 1, 2018, CLFS rates will be based on weighted median private payor rates as required by the Protecting Access to Medicare Act (PAMA) of 2014. For more details, visit PAMA Regulations, at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/PAMA-Regulations.html>. CMS held calls on the final rule and data reporting. For links to the slide presentations, audio recordings, and written transcripts, see CMS Sponsored Events, at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/CMS-Sponsored-Events.html>.

The guidelines stated above under Fee Schedule Through December 31, 2017 for pap smears will still remain in effect.

Update to Fees

In accordance with Section 1833(h)(2)(A)(i) of the Act, the annual update to the local clinical laboratory fees for CY 2018 is 1.10 percent. Beginning January 1, 2018, this update only applies to pap smear tests. For a pap smear test, Section 1833(h)(7) of the Act requires payment to be the lesser of the local fee or the NLA, but not less than a national minimum payment amount. However, for pap smear tests, payment may also not

exceed the actual charge. The CY 2018 national minimum payment amount is \$14.65 (\$14.49 times 1.10 percent update for CY 2018). The affected codes for the national minimum payment amount are: 88142, 88143, 88147, 88148, 88150, 88152, 88153, 88164, 88165, 88166, 88167, 88174, 88175, G0123, G0143, G0144, G0145, G0147, G0148, Q0111, Q0115, and P3000.

The annual update to payments made on a reasonable charge basis for all other laboratory services for CY 2018 is 1.10 percent (See 42 CFR 405.509(b)(1)).

The Part B deductible and coinsurance do not apply for services paid under the clinical laboratory fee schedule.

Access to Data File

The CY 2018 clinical laboratory fee schedule data file shall be retrieved electronically through CMS' mainframe telecommunications system. A/B MAC Part B contractors shall retrieve the data file on or after December 1, 2017. A/B MAC Part A contractors shall retrieve the data file on or after December 1, 2017. Internet access to the CY 2018 clinical laboratory fee schedule data file shall be available after December 1, 2017, at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/index.html>. Other interested parties, such as the Medicaid State agencies, the Indian Health Service, the United Mine Workers, and the Railroad Retirement Board, shall use the Internet to retrieve the CY 2018 clinical laboratory fee schedule. It will be available in multiple formats: Excel, text, and comma delimited.

Public Comments and Final Payment Determinations

On July 31, 2017, CMS hosted a public meeting to solicit input on the payment relationship between CY 2017 codes and new CY 2018 CPT codes. Notice of the meeting was published in the Federal Register on June 16, 2017, and on the CMS web site approximately June 15, 2017. Recommendations were received from many attendees, including individuals representing laboratories, manufacturers, and medical societies. CMS posted a summary of the meeting and the tentative payment determinations on the web site at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ClinicalLabFeeSched/Laboratory_Public_Meetings.html. Additional written comments from the public were accepted until October 23, 2017. CMS also posted a summary of the public comments and the rationale for the final payment determinations at the same CMS web site identified in the previous sentence.

Pricing Information

The CY 2018 clinical laboratory fee schedule includes separately payable fees for certain specimen collection methods (codes 36415, P9612, and P9615). The fees have been established in accordance with Section 1833(h)(4)(B) of the Act.

The fees for clinical laboratory travel codes P9603 and P9604 are updated on an annual basis. The clinical laboratory travel codes are billable only for traveling to perform a specimen collection for either a nursing home or homebound patient. If there is a revision to the standard mileage rate for CY 2018, CMS will issue a separate instruction on the clinical laboratory travel fees.

The CY 2018 clinical laboratory fee schedule also includes codes that have a "QW" modifier to both identify codes and determine payment for tests performed by a laboratory having only a certificate of waiver under the Clinical Laboratory Improvement Amendments (CLIA).

Mapping Information

New code 81105 is priced at the same rate as code 81376.

New code 81106 is priced at the same rate as code 81376.

New code 81107 is priced at the same rate as code 81376.

New code 81108 is priced at the same rate as code 81376.

New code 81109 is priced at the same rate as code 81376.

New code 81110 is priced at the same rate as code 81376.

New code 81111 is priced at the same rate as code 81376.

New code 81112 is priced at the same rate as code 81376.

New code 81120 is priced at the same rate as code 81275.

New code 81121 is priced at the same rate as code 81311.

New code 81175 is priced at the same rate as code 81317.

New code 81176 is priced at the same rate as code 81218.

New code 81230 is priced at the same rate as code 81227.

New code 81231 is priced at the same rate as code 81227.

New code 81232 is priced at the same rate as code 81227.

New code 81238 is priced at the same rate as code 81321.

New code 81247 is priced at the same rate as code 81227.

New code 81248 is priced at the same rate as code 81215.

New code 81249 is priced at the same rate as code 81321.

New code 81258 is priced at the same rate as code 81215.

New code 81259 is priced at the same rate as code 81321.

New code 81269 is priced at the same rate as code 81294.

New code 81283 is priced at the same rate as code 81241.

New code 81328 is priced at the same rate as code 81227.

New code 81334 is priced at the same rate as code 81272.

New code 81335 is priced at the same rate as code 81227.

New code 81346 is priced at the same rate as code 81227.

New code 81361 is priced at the same rate as code 81227.

New code 81362 is priced at the same rate as code 81215.

New code 81363 is priced at the same rate as code 81294.

New code 81364 is priced at the same rate as code 81235.

New code 81448 is priced at the same rate as code 81435.

New code 81520 is priced at the same rate as code 0008M.

New code 81521 is priced at the same rate as code 81519.

New code 81541 is priced at the same rate as code 81519.

New code 81551 is to be gapfilled.

New code 86008 is priced at the same rate as code 86235.

New code 86794 is priced at the same rate as code 86788.

New code 87634 is priced at the same rate as code 87801.

New code 87662 is priced at the same rate as code 87501.

New code 0001U is to be gapfilled.

New code 0002U is to be gapfilled.

New code 0003U is priced at the same rate as 1.25 times code 0010M.

New code 0005U is priced at the same rate as code 0010M.

New code 0006U is priced at the same rate as code G0483.

New code 0007U is priced at the same rate as code G0480.

New code 0008U is priced at the same rate as code 81445.

New code 0009U is to be gapfilled.

New code 0010U is to be gapfilled.

New code 0011U is priced at the same rate as code G0480.

New code 0012U is to be gapfilled.

New code 0013U is to be gapfilled.

New code 0014U is to be gapfilled.

New code 0016U is priced at the same rate as code 81206.

New code 0017U is priced at the same rate as code 81270.

New code G0499 is priced at the same rate as code 87340 plus 0.05 times code 87341 plus code 86704 plus 0.5 times code 86706.

Reconsidered code 81327 is to be gapfilled.

Existing code 80305 is priced at the same rate as code G0477.

Existing code 80306 is priced at the same rate as code G0478.

Existing code 80307 is priced at the same rate as code G0479.

Existing code 81413 is priced at the same rate as code 81435.

Existing code 81414 is priced at the same rate as code 81436.

Existing code 81422 is priced at the same rate as code 81420.

Existing code 81439 is priced at the same rate as code 81435.

Existing code 81539 is priced at the same rate as code 0010M.

Existing code 84410 is priced at the same rate as code 84402 plus code 84403.

Existing code 87483 is priced at the same rate as code 87633.

Existing code G0475 is priced at the same rate as code 87389.

Existing code G0476 is priced at the same rate as code 87624.

Existing code G0659 is priced at the same rate as code G0479.

Existing code 80410 is priced at the same rate as 3 times code 82308.

Existing code 80418 is priced at the same rate as 4 times code 82024 plus 4 times code 83002 plus 4 times code 83001 plus 4 times code 84146 plus 4 times code 83003 plus 4 times code 82533 plus 4 times code 84443.

Existing code 80435 is priced at the same rate as 5 times code 82947 plus 5 times code 83003.

Existing code 81316 is priced at the same rate as code 81315.

Existing code 81326 is priced at the same rate as code 81322.

Existing code 81425 is to be gapfilled.

Existing code 81426 is to be gapfilled.

Existing code 81427 is to be gapfilled.

Existing code 81434 is priced at the same rate as code 81445.

Existing code 81470 is to be gapfilled.

Existing code 81471 is to be gapfilled.

Existing code 81506 is priced at the same rate as code 82728 plus code 82947 plus code 83036 plus code 83525 plus code 86141 plus code 83520.

Existing code 82286 is priced at the same rate as code 82310.

Existing code 82387 is priced at the same rate as code 82373.

Existing code 82759 is priced at the same rate as code 82963.

Existing code 82979 is priced at the same rate as code 84220.

Existing code 83662 is priced at the same rate as code 83663.

Existing code 83857 is priced at the same rate as code 84165.

Existing code 83987 is priced at the same rate as code 83986.

Existing code 84085 is priced at the same rate as code 84220.

Existing code 84485 is priced at the same rate as code 82977.

Existing code 84577 is priced at the same rate as code 82710.

Existing code 84580 is priced at the same rate as code 82615.

Existing code 85170 is priced at the same rate as 0.8 times code 85175.

Existing code 85337 is priced at the same rate as code 83520.

Existing code 85400 is priced at the same rate as code 85410.

Existing code 85530 is priced at the same rate as code 85520.

Existing code 86327 is priced at the same rate as code 86320.

Existing code 86821 is priced at the same rate as code 86822.

Existing code 86829 is priced at the same rate as code 86828.

Existing code 87152 is priced at the same rate as code 87158.

Existing code 87267 is priced at the same rate as code 87271.

Existing code 87475 is priced at the same rate as code 87480.

Existing code 87485 is priced at the same rate as code 87480.

Existing code 87495 is priced at the same rate as code 87797.

Existing code 87528 is priced at the same rate as code 87480.

Existing code 87537 is priced at the same rate as code 87534.

Existing code 87557 is priced at the same rate as code 87592.

Existing code 87562 is priced at the same rate as code 87592.

Existing code 88130 is priced at the same rate as code 87209.

Existing code 88245 is priced at the same rate as code 88248.

Existing code 88741 is priced at the same rate as code 88740.

Existing code 89329 is priced at the same rate as code 89331.

Existing code 0002M is priced at the same rate as code 0003M.

Existing code 0004M is to be gapfilled.

Existing code 0006M is to be gapfilled.

Existing code 0007M is to be gapfilled.

Existing code 0009M is to be gapfilled.

Existing code G0480 is priced at the same rate as 4 times code 82542 plus 0.75 times code 82542.

Existing code G0481 is priced at the same rate as 4 times code 82542 plus 2.50 times code 82542.

Existing code G0482 is priced at the same rate as 4 times code 82542 plus 4.25 times code 82542.

Existing code G0483 is priced at the same rate as 4 times code 82542 plus 6.25 times code 82542.

Existing code P2028 is priced at the same rate as code 82040.

Existing code P2029 is priced at the same rate as code 82040.

Existing code P2031 is priced at the same rate as code 82040.

Existing code P2033 is priced at the same rate as code 82040.

Existing code P2038 is priced at the same rate as code 82040.

Existing code Q0113 is priced at the same rate as code 87172.

New code 80305QW is priced at the same rate as code 80305.

New code 87633QW is priced at the same rate as code 87633.

New code 87801QW is priced at the same rate as code 87801.

New code G0475QW is priced at the same rate as code G0475.

New code 85025QW is priced at the same rate as code 85025.

Existing code 0008M is to be deleted.

Existing code 83499 is to be deleted.

Existing code 83992 is to be deleted.

Existing code 84061 is to be deleted.

Existing code 86185 is to be deleted.

Existing code 86243 is to be deleted.

Existing code 86378 is to be deleted.

Existing code 86729 is to be deleted.

Existing code 86822 is to be deleted.

Existing code 87277 is to be deleted.

Existing code 87470 is to be deleted.

Existing code 87477 is to be deleted.

Existing code 87515 is to be deleted.

Existing code 88154 is to be deleted.

Laboratory Costs Subject to Reasonable Charge Payment in CY 2018

For outpatients, the following codes are paid under a reasonable charge basis (See Section 1842(b)(3) of the Act). In accordance with 42 CFR 405.502 through 42 CFR 405.508, the reasonable charge may not exceed the lowest of the actual charge or the customary or prevailing charge for the previous 12-month period ending June 30, updated by the inflation-indexed update. The inflation-indexed update is calculated using the change in the applicable Consumer Price Index for the 12-month period ending June 30 of each year as set forth in 42 CFR 405.509(b)(1). The inflation-indexed update for CY 2018 is 1.60 percent.

Manual instructions for determining the reasonable charge payment can be found in Publication 100-04, Medicare Claims Processing Manual, Chapter 23, Section 80 through 80.8. If there is not sufficient charge data for a code, the instructions permit considering charges for other similar services and price lists.

When services described by the Healthcare Common Procedure Coding System (HCPCS) in the following list are performed for independent dialysis facility patients, Publication 100-04, Medicare Claims Processing Manual, Chapter 8, Section 60.3 instructs that the reasonable charge basis applies. However, when these services are performed for hospital-based renal dialysis facility patients, payment is made on a reasonable cost basis. Also, when these services are performed for hospital outpatients, payment is made under the hospital outpatient prospective payment system (OPPS).

Blood Products

P9010

P9011

P9012

P9016

P9017

P9019

P9020

P9021

P9022

P9023

P9031

P9032

P9033

P9034

P9035

P9036

P9037

P9038

P9039

P9040

P9044

P9050

P9051

P9052

P9053

P9054

P9055

P9056

P9057

P9058

P9059

P9060

P9070

P9071

P9073

P9100

Also, payment for the following codes should be applied to the blood deductible as instructed in Publication 100-01, Medicare General Information, Eligibility and Entitlement Manual, Chapter 3, Section 20.5 through 20.5.4:

P9010

P9016

P9021

P9022

P9038

P9039

P9040

P9051

P9054

P9056

P9057

P9058

NOTE: Biologic products not paid on a cost or prospective payment basis are paid based on Section 1842(o) of the Act. The payment limits based on Section 1842(o), including the payment limits for codes P9041, P9045, P9046, and P9047, should be obtained from the Medicare Part B drug pricing files.

Transfusion Medicine

86850

86860

86870

86880

86885

86886
86890
86891
86900
86901
86902
86904
86905
86906
86920
86921
86922
86923
86927
86930
86931
86932
86945
86950
86960
86965
86970
86971
86972
86975
86976
86977

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86985

Reproductive Medicine Procedures

89250

89251

89253

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89272

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89352

Number	Requirement	Responsibility							
		A/B MAC		H H H	D M E M A C	Shared- System Maintainers			Other
		A	B			F I S S	M C S	V M S	
	patients.								
10409.6	If there is a revision to the standard mileage rate for CY 2018, CMS shall issue a separate instruction on the clinical laboratory travel fees.								CMS

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
10409.7	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X			

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Glenn McGuirk, 410-786-5723 or Glenn.McGuirk@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 0