

TO: ALL PROVIDERS

FROM: CAREFIRST, INC., MEDICARE PART A

DATE: NOVEMBER 12, 2002

SUBJECT: IMPLEMENTATION OF NATIONAL COVERGE DETERMINATIONS
REGARDING CLINICAL DIAGNOSTIC LABORATORY SERVICES

On November 23, 2001, CMS published in the *Federal Register* (66 FR 58788) a final rule regarding coverage and administrative policies for clinical diagnostic laboratory services under Medicare Part B. A committee of interested parties, including representatives from hospitals, physicians, laboratories, coding experts and CMS staff developed this rule under the Negotiated Rulemaking Act. (**Note:** CMS has acknowledged errors in the ICD-9 codes in the Final Rule. Corrections were made to the ICD-9 codes in PM AB-02-110, CR 2130 when it was published. http://www.cms.hhs.gov/manuals/pm_trans/AB02110.pdf.)

CMS issued Program Memorandum (PM) AB 02-030 (Change Request 1998) on March 5, 2002. Change Request 1998 contains instructions for implementing many of the administrative provisions of the rule that became effective February 21, 2002. This PM contains implementing instructions for the 23 National Coverage Determinations (NCDs) that were included as an addendum to the rule and become effective on November 25, 2002.

An NCD for a diagnostic laboratory test is a national policy statement granting, limiting, or excluding Medicare coverage for that test. It states CMS's policy with respect to the circumstances under which the test(s) will be considered reasonable and necessary, and not screening or otherwise not covered for Medicare purposes. Such a policy applies nationwide.

The policies in PM 02-110, CR 2130 linked to this article are national coverage decisions under section 42 CFR 405.732. They are binding on all Medicare carriers, fiscal intermediaries, peer review organizations, health maintenance organizations, competitive medical plans, and health care prepayment plans. An administrative law judge may not disregard, set aside, or otherwise review an NCD. A court's review of an NCD is limited to whether the record is incomplete or otherwise lacks adequate information to support the validity of the decision.

It was brought to the attention of CMS that the NCD for urine culture includes in the list of CPT codes, tests that can be performed to identify bacteria for urine and other purposes, specifically CPT codes 87184 and 87186. These are sensitivity studies and are not specific to urine. Concern was raised with editing these CPT codes generally with the diagnosis listed in the covered list. CMS agreed that CPT codes for sensitivity testing are not specific to urine. Editing of these CPT codes with the list of covered diagnoses is likely to result in inappropriate denial of these services when they are performed on a

specimen other than urine. The edit module will not edit for these CPT codes. Rather, they will return a "not applicable" response from the edit module and it will be the responsibility of the contractor to edit for these codes as is deemed necessary.

The 23 NCDs will become effective on November 25, 2002 for services furnished on or after November 25, 2002. Claims with service dates prior to November 25, 2002 for laboratory services that have been reviewed under the guidelines of a local policy will be reviewed in accordance with the appropriate Local Medical Policy. The NCDs will supercede any local medical policy for the same service for service dates on or after November 25, 2002.

Should you have any questions contact Provider Relations at 1-866-488-0545.

References: AB-02-110, CR 2130
AB 02-134, CR 2383
AB 02-087, CR 2203

THIS BULLETIN SHOULD BE SHARED WITH ALL HEALTH CARE PRACTITIONERS AND MANAGERIAL MEMBERS OF THE PROVIDER/SUPPLIER STAFF. BULLETINS ISSUED AFTER OCTOBER 1, 1999 ARE AVAILABLE AT NO-COST FROM OUR WEBSITE AT www.marylandmedicare.com