

Laboratory compliance update for physicians and authorized practitioners

Federal regulations require that physicians be notified annually of compliance regulations related to laboratory testing.

Test orders

Each laboratory test that is reported and billed must be ordered by a physician or authorized practitioner. Confirmatory tests, which are considered community standard of practice, are implied in the order. For example, organism identification and sensitivities are implied in the culture.

Reflex testing protocols are defined and approved by the site's Medical Staff Executive Committee and are reviewed annually.

Table 1 outlines the approved reflex testing by site.

Reflex:	FLMC	FNMC	FRWMC	FRH	FSH	UMMC	Metro clinics
TSH with reflex to free T4 if abnormal	•	•	•	•	•	•	•
Urinalysis to include microscopic if indicated	•	•	•		•		•
Positive UA to culture				ED peds (less than 5 years), Labor and Delivery and Home Care only	ED peds, Home Care, Hospice and Home Infusion only		•
Triglycerides greater than 400 mg/dL or less than 1,000 mg/dL to direct LDL			•				
Positive hepatitis A antibody to hepatitis A IgM antibody	•	•	•	•	•	•	•
Positive hepatitis B core antibody to HbsAg or hep B core Ab or hep B core IgM	•	•	•	•	•	•	•
Positive antinuclear cytoplasmic antibody to MPO and PR3	•	•	•	•	•	•	•
ASCUS pap test to HPV	•	•	•	•	•	•	•

Table 1. Fairview Laboratory Services reflex testing

AMA panels

At all outpatient/ambulatory settings within Fairview, AMA organ- and disease-related panels are billed and paid only if all test components of the panel are documented as medically necessary. The AMA-approved panels in Table 2 are offered by Fairview Laboratories.

	Basic metabolic panel	Electrolyte panel	Comprehensive metabolic panel	Lipid panel	Hepatic function panel	Renal function
Albumin			•		•	•
Alkaline phosphatase			•		•	
ALT			•		•	
AST			•		•	
Bilirubin, direct					•	
Bilirubin, total			•		•	
Calcium	•		•			•
Carbon dioxide (CO2)	•	•	•			•
Chloride	•	•	•			•
Cholesterol, total				•		
Creatinine	•		•			•
High density cholesterol				•		
Glucose	•		•			•
Phosphorus						•
Potassium	•	•	•			•
Protein, total			•		•	
Triglycerides				•		
Sodium	•	•	•			•
Urea nitrogen	•		•			•

Table 2. Fairview Laboratory Services AMA-approved panels

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Laboratory compliance update (continued from front)

Fee schedules

All outpatient and ambulatory patients whose payer is Medicare are reimbursed according to the Medicare Laboratory Fee Schedule. The fee schedule for claims processed by Noridian is available at noridianmedicare.com/provider/pubs/med_alfee_sched.html.

The fee schedule for claims processed by WPS (Wisconsin Physicians Service) is available at wpsic.com/medicare/provider/pricing_fees.shtml.

Medicaid reimbursement is equal to or less than Medicare reimbursement.

Advanced beneficiary notice

If Medicare denies reimbursement for lack of medical necessity or frequency limitations, their rules prohibit the laboratory or health care provider from billing the patient unless the patient has signed an Advance Beneficiary Notice (ABN) before the specimen is collected or test is performed. Medicare rules also prohibit the provider from ignoring this process and absorbing the cost of denied testing. When the physician believes that a test ordered might not be covered by Medicare, he or she should ensure the patient is informed of this possibility and that the ABN is signed.

Note that Medicare specifically requires that the patient sign the ABN before the laboratory specimen is collected or before the test is performed.

The ABN:

- Identifies patient date of service, laboratory test(s) to be performed, and reason the test(s) is likely to be denied

- Assures that the patient understands he or she may be responsible for payment if the test is not considered medically necessary by Medicare
- Allows the patient to make an informed decision about whether to receive the service and pay for it out-of-pocket

The most common reasons for claim denial for laboratory tests are:

- Medical necessity is not consistent with the local coverage determination (LCD) or national coverage determination (NCD). That is, the signs, symptom or diagnosis provided by the physician or practitioner, in either the narrative or ICD-9 code format, is not listed in the LCD/NCD for that test as being reasonable and necessary.
- Test frequency limitation is exceeded. For example, Medicare only will reimburse for four glycosylated hemoglobin tests per year, or one every 13 weeks; a screening PSA is covered once annually for males over 50 years of age; a screening pap test is covered once every two years for females.
- Test is experimental or for research or investigational use only.

Laboratory medical directors

Medical directors are available for clinical consultation.

The name and phone number of the consultant for each care system/site is available on the home page of the Laboratory Guide at labguide.fairview.org/. To find the medical director/clinical consultant for a site, double click on the location desired.

Carol Hill, Fairview Laboratory Compliance Committee

Laboratories establish critical value for creatine kinase (CK)

Based on physician request, laboratories added creatinine kinase (CK) greater than 1,000 U/L to the list of critical results requiring notification of the provider. Individuals with such CK values are at risk for rhabdomyolysis, which can cause kidney failure or death. Children with long chain fatty acid disorders can develop rhabdomyolysis. Other causes include such traumatic injuries as crushing or electrical injury, burns and heatstroke. Non-traumatic causes of rhabdomyolysis include infections, viruses, certain medications, excessive exercise, substance abuse and other medical disorders.

Priscilla Cherry named Fairview Laboratory Services president

Priscilla R. Cherry became president of Fairview Laboratory Services in February. Cherry earned a B.S. in medical technology and biology from Medical University of South Carolina in Charleston, S.C., and an M.B.A. from Case Western Reserve University in Cleveland, Ohio. Most recently, she worked as director of consulting for Premier, Inc., based in Charlotte, N.C. Prior to her tenure at Premier, Cherry spent more than 27 years with Kaiser Permanente in Ohio.



Priscilla Cherry