METHODIST HOSPITAL
PATHOLOGY CENTER

ANNUAL NOTICE TO HEALTHCARE PROVIDERS
2023

Nebraska Methodist Health System Laboratories (Methodist Hospital Laboratory-The Pathology Center, Methodist Women's Hospital Laboratory, Methodist Jennie Edmundson Hospital Laboratory, Methodist Fremont Hospital Laboratory, and Methodist Physician's Clinic Laboratories) are providing healthcare providers with an annual notice of our commitment to adhere to all federal and state laws and program requirements for federal, state, and private health plans. This annual notice is in complies with the regulations and requirements of the Office of Inspector General (OIG) of the Department of Health and Human Services, and the Center for Medicare and Medicaid Services (CMS).

The information below is provided to promote awareness of federal regulations and explain your need to provide documentation when ordering testing services for federally insured patients.

MEDICAL NECESSITY

Medicare will pay only for tests that meet the Medicare coverage criteria and are "reasonable and necessary to treat or diagnose an individual patient". *Section 1862 (a) (1) (A) of the Social Security Act.*

When instructing us to seek Medicare reimbursement, you must order only those tests that you believe to be medically necessary for patient diagnosis and treatment. This includes all tests that are components of ordered panels.

As a provider, you are responsible to:

- **document medical necessity** for each test in the permanent patient medical record
- **provide appropriate diagnostic information in the form of ICD-10 code**(s) with any test(s) for which you instruct us to seek Medicare reimbursements.
- **provide complete information for billing** including copies of the patient's primary and secondary insurance, policyholder and date of birth of policyholder, guarantor, diagnosis codes, place of service (POS), and prior authorization, when it is required. If prior authorization is required, the authorization number received from the insurance provider **must** also be provided to the laboratory at the time of service.

Failure to provide the required demographic information will result in follow-up inquiries and denied laboratory charges will be billed to the client and ordering provider account.

As a provider, you are responsible for assuring the completion of an Advance Beneficiary Notice (ABN) in the circumstances outlined below.

ADVANCE BENEFICIARY NOTICES (ABN)

Medicare can deny reimbursement for tests based upon the absence of medical necessity, routine health screening, investigational use-only tests, and frequency limitations. An ABN signed by the

patient before service is necessary to document that the patient is aware that Medicare may not pay for a test and that the patient has agreed to pay for the testing if Medicare payment is denied.

The following reasons are commonly provided by Medicare when claims are denied:

- Medicare does not usually pay for this service for the diagnosis provided.
- Medicare will not pay for research or investigational use tests.
- Medicare does not pay for this service based on frequency limitations.
- Medicare does not pay for most routine screening tests.
- Medicare does not pay for annual physical exams.

If you order a test that Medicare is likely to deny payment on, the laboratory requisition must be accompanied by an appropriately completed ABN. ABNs must be obtained before specimen collection and/or the service being performed. Patients presenting directly to a Methodist-associated facility or draw center to have blood drawn will be screened for the necessity of an ABN before the specimen collection. Patient specimens collected at client sites must be screened by the client. If an ABN is necessary, a copy of the completed ABN must be sent to the laboratory with the test requisition and the specimen.

Each ABN must be specific to each laboratory test ordered. Each test must be accompanied by the specific reason that Medicare might not pay for the test. Blanket waivers for all tests ordered on a Medicare patient are not allowed by Medicare and will not be accepted by Methodist Laboratories.

Without a signed ABN, the patient has no obligation to pay for the service. When payment for services is denied due to lack of medical necessity, inappropriate medical necessity, or lack of ABN documentation, Methodist Laboratories will notify the physician, client, and/or clinic of the issue. Methodist Laboratories will document these occurrence issues and if not remedied, your client account may be billed directly.

PREAUTHORIZATION

Preauthorization from the patient's healthcare plan carrier is required for many esoteric and molecular or genetic tests. Once you have confirmed preauthorization, please attach this documentation to the requisition accompanying the specimen to assure appropriate billing. **If preauthorization for Molecular/Genetic testing is not confirmed before collection and testing, your practice and/or your patient may be responsible for the expense**.

BILLING

The following information is **required** to correctly process and bill laboratory testing.

- Date of Service, Patient's full legal name and date of birth, Patient's current address and phone number, Client/Clinic Name, ICD 10 Code(s)/Diagnosis, place of service (POS), and Insurance information.
- Attach a copy (front and back) of the insurance card.

If a Work Comp/Car Accident Injury, we must have all billable information attached to the visit.

CUSTOM PROFILES

The use of custom profiles is strongly discouraged. If a physician requests a customized test order profile, a signed physician acknowledgment is required from each physician who will be ordering the custom profile. Federal regulations require that acknowledgment forms be signed annually and returned to the laboratory. Physician acknowledgements will affirm:

- The custom test order profile was created at the request of the physician(s).
- The physician is informed of the amount Medicare will reimburse for each test included in the custom profile.

- The physician(s) will order individual tests or a less inclusive profile when one or more of the tests in the customized profile is not medically necessary for the patient.

2023 CPT CHANGES

The American Medical Association (AMA) has made many additions, deletions and description changes to the CPT 2023 coding manual that apply to Pathology services and additional modification of Molecular testing codes remains under review. These changes occurred on January 1, 2023.

REFLEX TESTING

When defined criteria are met for some laboratory tests, additional testing will be automatically performed to provide more conclusive laboratory information for diagnosis and treatment. The CPT coding will accurately reflect the testing that is performed. If you determine that reflex testing is not medically necessary for your patient, you may opt-out by indicating on the requisition only the specific test or component necessary and writing "no reflex" on the requisition.

Please refer to the list attached for the current reflex testing cascades used at Methodist Health System Laboratories. Esoteric testing not performed at Methodist Health System Laboratories is sent to outside referral laboratories. These referral laboratories also utilize reflex testing cascades. Some of the more common referral laboratory reflex tests are also listed.

PATIENT SPECIMEN IDENTIFICATION

All re-collectible specimens (Blood; Urine; Swabs; Sputum; Stool; Pap smear; etc,) must be clearly labeled with two unique patient identifiers.
Any re-collectable specimens submitted to Methodist Health System Laboratories without two identifiers will be rejected and will need to be recollected.

Acceptable patient specimens from Outreach Clients

- Specimens are labeled with the patient's first and last name and one unique identifying number. This number may be a unique identifier such as:
  - The patient's date of birth, Unique identifying number (e.g., medical record number), LIS bar code, and Social Security Number (only if no other option is available)

Optimal labeling of specimens would include Full Patient Name, Date of Birth, Date and Time of collection, and initials of the person who obtained the specimen.

Specimen identifications cannot use alphanumeric labeling per new HIM initiatives.

For questions regarding ABNs, Pre-authorization, CPT changes, Reflex testing, or any other information contained in this notice please contact:

- Methodist & Women's Hospital Client Services (402) 354-45451
- Methodist Jennie Edmundson Hospital Laboratory (712) 396-6311
- Methodist Fremont Laboratory (402) 727-3742