



Mount Carmel Laboratory System
793 West State Street
Columbus, Ohio 43222

ANNUAL MEDICAL NECESSITY NOTICE TO PHYSICIANS

August 2010

Dear Doctor,

In the August 1998 Compliance Program Guidance for Clinical Laboratories the Office of the Inspector General (OIG) recommends that clinical laboratories provide physicians with annual written notice that establishes (1) the Medicare national policy and Medicare contractor local coverage determinations for lab tests; (2) that organ or disease related panels will only be paid and will only be billed when all components are medically necessary; and (3) the Medicare Laboratory Fee Schedule and a statement informing the physician that the Medicaid reimbursement amount will be equal to or less than the amount of Medicare reimbursement. To meet these recommendations, we provide you with the following information:

1. National Coverage Limitations are policies issued by CMS that specify which services or tests are covered and paid for by the Medicare program. Laboratory National Coverage Determinations (NCD's) can be found on the CMS website at <http://cms.hhs.gov/CoverageGenInfo/>.
2. Local Coverage Determinations (LCD's) are issued by Fiscal Intermediary or Carrier to specify which tests are covered and under what clinical circumstances Medicare deems them to be medically necessary. The CMS website www.adminastar.com contains a database of all LCD's across the country. Keep in mind that the CMS site is updated on a quarterly basis, so you should look to your local intermediary or carrier for the most up-to-date LCD's.
3. Organ or Disease Related Panels: When you order a panel, please note that for the laboratory to bill Medicare, each test in the panel must be medically necessary for the treatment or diagnosis of the particular patient being tested.
4. Clinical Laboratory Diagnostic Fee Schedule is located on the World Wide Web at <http://cms.hhs.gov/ClinicalLabFeeSched/>. Please note that the Medicaid reimbursement amount will be equal to or less than the amount of Medicare reimbursement.

Please also note that you must submit diagnosis information for all tests ordered to document the medical necessity of the service. Therefore, please always provide the laboratory with the appropriate diagnoses, signs, symptoms or ICD-9 codes on the requisition form.

The Mount Carmel Laboratory System appreciates the opportunity to provide you with quality clinical laboratory services. If you have any questions, the Medical Directors of the hospital laboratories serve as the clinical consultants at each site and can be reached at the numbers listed below.

Thank you.

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