

Covenant HealthCare Laboratory Annual Notice to Physicians 2025

Dear Physician/Client:

The Office of the Inspector General (OIG) has issued guidance that recommends laboratories provide notices to physicians and other ordering providers annually as part of their compliance plan. Covenant HealthCare Laboratory is issuing this notice in accordance with this recommendation. We are committed to conducting business in accordance with all federal, state and local laws, and in adherence with program requirements for all federal, state and private health plans. This letter serves as continuing education for ordering providers on our policies and procedures as they relate to these expectations.

Clinical Consultant

Covenant HealthCare Laboratory's Medical Director, Dr. Shane R Starr, is available to assist with laboratory testing questions, including ordering and interpretation. He may be contacted through our Customer Service Line at (989) 583-6742.

Medical Necessity

Following CMS regulations, the hospital requests that a written order and a diagnosis accompany all outpatient diagnostic test orders.

Tests submitted for Medicare reimbursement must meet program medical necessity requirements or the claim will be denied. Please follow the below links for a listing of tests for which CMS and Covenant Medicare Administrative Contractor (MAC) have developed National Coverage Decisions (NCD) and Local Coverage Decisions (LCD).

CMS Preventative Services - Codes and Billing information:

<https://www.cms.gov/Medicare/Prevention/PrevntionGenInfo/medicare-preventive-services/MPS-QuickReferenceChart-1.html>

Medicare National Coverage Determinations (NCD) Coding Policy Manual:

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS014961>

WPS J8 MAC Part B Local Coverage Determinations:

<https://www.wpsgha.com/wps/portal/mac/site/policies/guides-and-resources/lcds-and-coverage-articles>

Diagnoses provided on these tests will be compared to the NCD or LCD. Diagnoses not on the NCD or LCD are considered non-covered and the patient may be responsible for payment. If a diagnosis or ICD-10 code does not accompany the order, it may be considered non-covered and the patient may be responsible for payment.

Advance Beneficiary Notice (ABN)

Medicare will only pay for Part B Laboratory services that are determined to be reasonable and necessary. We may need to obtain an Advance Beneficiary Notice (ABN) and/or provide a Notice of Non-Coverage to a beneficiary/patient in advance of what is believed to be a non-covered laboratory service (as determined by the Centers for Medicare and Medicaid Services [CMS] guidelines and/or the fiscal intermediary, and/or other third party payers).

Medicare Reimbursement Fee Schedule

Medicare reimburses laboratory services based upon their published fee schedule. Medicaid reimbursement for laboratory services is equal to or less than the amount Medicare reimburses.

Organ or Disease Oriented Panels

Organ or Disease Oriented Panels (CPT codes 80048 - 80090) should only be ordered when all components in the panel are medically necessary.

Reflex Laboratory Tests

Upon results of an initial laboratory test, Covenant HealthCare Laboratory may perform additional testing which can result in an additional charge. Examples of tests that may result in additional charges include microbiology and anatomic pathology. Relevant practices in laboratory medicine and the avoidance of performing unnecessary testing help dictate which tests are subject to this policy. Our test directory states that additional testing may be performed, depending on the results of this test. An additional fee may be added for the reflex testing. Please contact the laboratory if you have any questions about reflex tests.

CMS Approved Panels

CMS and laboratory approved panels are attached at the end of this document.

Reasonable and Necessary Services

Laboratory claims submitted for services will only be paid if the service is covered, reasonable, and necessary for the beneficiary, given his or her clinical condition, as defined by CMS.

Medicare Secondary Payer (MSP) Screening

Medicare requires that all healthcare providers make a good faith effort and have procedures in place to ensure that Medicare is the primary payer. When providing Medicare billing information on laboratory requisitions, please ensure this information reflects the MSP process already performed in your office.

Hospital drawing centers will perform the MSP screening process on Medicare patients that present for service. For your convenience, you may direct patients to our drawing centers if you are unable to perform MSP screening for laboratory services.

Prohibited Referrals and Inducements

It is the policy of Covenant HealthCare Laboratory to comply with both the Physician Self-Referral Law (Stark) and the Anti-Kickback Statute. Stark Law states that if a financial relationship exists between a physician (or their immediate family member) and a laboratory, the physician may not refer Medicare beneficiaries to the laboratory, and the laboratory may not bill Medicare for any services referred by the physician unless the financial relationship between the parties falls into one of the law’s exceptions. The Anti-Kickback Statute prohibits the knowing or willful offer, payment, solicitation, or receipt of remuneration in order to induce business reimbursed under the Medicare or Medicaid programs. Any form of kickback or inducement to secure Medicare or Medicaid referrals is strictly prohibited.

Effect of Exclusion from Federal or State Healthcare Programs

Any items ordered or furnished by an excluded individual or entity are not reimbursable under federal healthcare programs.

Patient Privacy

Under the Health Insurance Portability and Accountability Act (HIPAA) Covenant HealthCare Laboratory is a healthcare provider and a covered entity. We are committed to compliance with all HIPAA privacy and security standards. A copy of our Notice of Privacy Practices is available at <http://www.covenanthealthcare.com/Main/NoticeofPrivacyPractices.aspx>.

Thank you for your time and attention to these important concepts. If you have any questions or require any further information, please contact me directly at 989-583-6768.

Thank you,

Terrence Wernette
Administrative Director
Covenant HealthCare Laboratory

Date