



Annual Notice to Physicians 2019

Pacific Diagnostic Laboratories (PDL) has developed a Laboratory Compliance Program following recommendations from the Office of Inspector General (OIG). Our compliance efforts are designed to establish a culture within PDL that promotes prevention, detection and resolution of instances of conduct that do not conform to Federal and State Law, and Federal, State and private payer health care program requirements.

Medical Necessity

The OIG has advised clinical laboratories to remind physicians (or other individuals authorized by law to order tests) that 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. Also, if a false claim is knowingly submitted, that individual may be subject to civil or criminal penalties.

Diagnosis information (ICD-10 codes) must be submitted for all tests ordered, as documentation of the medical necessity of the service. Medicare generally does not cover routine screening tests.

Organ or disease related panels will only be paid and will only be billed when all components are medically necessary. Use of client custom panels may result in the ordering of tests which are not covered, reasonable or necessary and those tests will not be paid.

Medicare National Coverage Determinations for ICD-10 codes are available through the Centers for Medicare and Medicaid Services (CMS) or its contractors. Medicaid reimbursement will be equal to or less than the amount of Medicare reimbursement. Coverage determinations can be viewed at: <https://www.cms.gov/medicare-coverage-database/>

Advanced Beneficiary Notice (ABN)

Medicare may not consider certain tests, diagnoses and frequency combinations to be medically necessary and will not reimburse them. ABNs will be given to patients when there is a likelihood that an ordered service will not be paid. The patient will be required to sign an ABN to indicate that he or she is responsible for the cost of the test if Medicare denies payment.

Valid Laboratory Orders

If a patient presents to a draw station (or the laboratory receives a specimen) without a valid test order or with an order that is ambiguous, vague or illegible, the laboratory will verify the tests which the physician wants, prior to performing them and submitting a claim for reimbursement to Medicare.

Reflex testing will only be done when a second related test is medically appropriate. Confirmatory testing will only be done when indicated or required. Conditions under which reflex testing or confirmatory testing will be performed will be communicated to the medical staff.

Standing orders will only be accepted in connection with an extended course of treatment. Medicare contractors can and may require additional documentation to support medical necessity of the tests ordered.

Marketing

The laboratory will provide resources to patients, physicians (and other individuals authorized to order tests) and individuals who administer Government and private health plans to enable them to fully understand the services that will be provided by the laboratory when tests are ordered.