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# Laboratory Billing Compliance

To accurately bill for laboratory services, it is necessary we have the following information:

- Patient's full name (first and last) and middle initial if available.
- Patient's address (including Zip Code), date of birth, sex, Social Security number, responsible party, and home phone number.
- Patient's Medicare number (if applicable). The membership number and diagnosis code are required. This should include a suffix. If the suffix is other than A, the spouse's name is required. The patient's Social Security number may not necessarily be the membership number. If the patient has secondary insurance, please provide the insurance name and policy number.
- Name (first and last) of the insured individual if different from the patient.
- Indicate the patient's relationship to the insured.
- Patient's diagnosis, symptoms and/or ICD-10 code(s) are required for insurance billing.
- Patient's primary physician, ordering physician, date of specimen collection, and time drawn.

Providing correct and detailed information will avoid contacting the physician's office at a later date and will expedite patient service and processing of the laboratory specimens.

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## MEDICAL NECESSITY

Claims submitted for laboratory services will only be paid if the service is covered, reasonable and necessary for the beneficiary, given his or her medical condition. Upon request, a laboratory must be able to produce or obtain from the treating physician documentation to support the medical necessity of the service the laboratory has provided and billed to a federal or private health care program. Laboratories do not and cannot treat patients or make medical necessity determinations, but steps can be taken to assure compliance with applicable statutes, regulations and the requirements of federal, state and private health plans.

The OIG (Office of the Inspector General) recognizes that physicians or other authorized individuals must be able to order any tests that they believe are appropriate for the treatment of their patients. However, Medicare will only pay for tests that meet the Medicare coverage criteria and are responsible and necessary to treat or diagnose an individual patient. Medicare may deny payment for a test that the physician believes is appropriate, but which does not meet the Medicare coverage criteria or where documentation in the patient record, including that maintained in the physician's records, does not support that the tests were reasonable and necessary for a given patient. Tests submitted for Medicare reimbursement must meet program requirements or the claim may be denied. Medicare generally does not cover any routine physical checkups, including tests that are performed in the absence of signs and symptoms for screening purposes.

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## DIAGNOSIS/ICD-10 CODES

Due to requirements of healthcare payors, such as Medicare and Blue Cross/Blue Shield, physicians must include the sign, symptom, or if known, the diagnosis that prompted the order for laboratory outpatient testing. Diagnosis information or ICD-10 codes must be submitted for all tests ordered as documentation of the medical necessity of the service. The lab must be able to support tests billed with documentation obtained from the healthcare provider ordering the test. While this Laboratory Service Directory lists CPT codes in an effort to provide some guidance, CPT codes listed only reflect our interpretation of coding requirements and may not be correct. The requesting clinician should verify accuracy of codes listed and, where multiple codes are listed, should select codes for tests actually requested.

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## REFLEX TESTING

Reflex testing occurs when initial test results are positive or outside reference parameters and indicate that additional, related tests are medically appropriate. See Reflex Test List for those tests that are reflexed at St Joseph Hospital. These tests have been approved by the hospital Medical Executive Committee. Specimens sent to our reference lab may have tests that reflex, see test catalog for specific tests.

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## **STANDING ORDERS**

Standing orders are effective for six months. To meet compliance regulations, all orders are required to have:

1. Date (include expiration date)
2. Frequency
3. Physician signature
4. Diagnosis or ICD-10 code

A written signed and dated standing order will expire after 6 months; the laboratory will be unable to provide services with an expired date. If a standing order does not meet the medical necessity criteria for the diagnosis provided, then an ABN will be issued.

Your cooperation and compliance with this requirement is greatly appreciated.

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## **ADVANCED BENEFICIARY NOTICE (ABN)**

An ABN is a written notification required by Medicare. The form should be utilized before services are actually furnished, as Medicare is likely to deny payment. ABN's allow beneficiaries to make informed consumer decisions about receiving lab tests which they may have to pay out of pocket, and to be more active participants in their own health care treatment decisions. If it is expected that payment for laboratory tests (listed on ABN) will be denied by Medicare, you should advise the beneficiary that he/she will be personally and fully responsible for payment. An ABN should be used each and every time it is determined Medicare will deny payment.

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## **CONFIDENTIALITY OF RESULTS, FACSIMILE POLICY**

St Joseph Laboratory strives to maintain the confidentiality of all patient information. We appreciate your assistance in helping our staff ensure the appropriate release of patient information and method of reporting for your facility. For many clients, St Joseph Laboratory uses auto-faxing technology to send reports to client sites. **All laboratory results are protected health information.** It is the healthcare provider's responsibility to ensure that a fax machine is in a secure area, properly maintained, and that results are accessed only by appropriate staff. Please help protect your patient's privacy by immediately informing St Joseph Hospital Laboratory of any change in your fax number or if you receive a fax in error.

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## **DISCLOSURES OF RESULTS**

Under federal regulations, St Joseph Laboratory is only authorized to release results to ordering physicians or other health care providers responsible for the individual patient's care. Third parties requesting results, including requests directly from the patient, are directed to the ordering facility or St Joseph Health Information Management (HIM).