

Related Change Request (CR) #: 3694

MLN Matters Number: MM3694

Related CR Release Date: February 4, 2005

Related CR Transmittal #: 464

Effective Date: April 1, 2005

Implementation Date: April 4, 2005

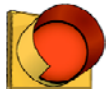
Implementation of the Abstract File for Purchased Diagnostic Tests/Interpretations (Supplemental to CR 3481)

Note: This article was revised on July 31, 2007, to add a reference to CR5543 (<http://www.cms.hhs.gov/Transmittals/downloads/R1250CP.pdf>), which replaced the temporary physician billing instructions specified in CR3630 with new billing procedures effective October 1, 2007. The new procedures allow **all physicians and suppliers** to receive the correct payment amount for all purchased diagnostic services (based on the ZIP code of the location where the service was rendered). The related article (MM5543) may be found on <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5543.pdf> on the CMS website.

Provider Types Affected

Physicians and Independent Diagnostic Testing Facilities (IDTFs) billing Medicare carriers for purchased diagnostic tests/interpretations

Provider Action Needed



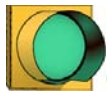
STOP – Impact to You

Related CR 3694 **replaces** the requirement in CR 3481 instructing carriers to pay physicians for diagnostic tests and interpretations performed outside of the local carrier's jurisdiction.



CAUTION – What You Need to Know

All other instructions in CR 3481 remain in effect.



GO – What You Need to Do

Medicare carriers will continue to **pay physicians at the local rate, until further notice**, for services purchased outside of the carrier's jurisdiction **when submitted by a physician enrolled in the carrier's jurisdiction**. Physicians should continue to

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report their name and service facility location on claims for purchased tests/interpretations performed outside of the local carrier's jurisdiction. Physicians use their own PIN to bill for both the purchased portion of the test and the portion of the test that they performed. **Suppliers (laboratories and IDTFs) are to bill local carriers regardless of where the tests are performed and carriers are to pay suppliers based on ZIP codes.**

NOTE: Physicians should continue to follow the billing instructions provided in Change Request 3630 (Transmittal 415, issued on December 23, 2004) until further notice.

NOTE: This article was revised on March 18, 2005 to include the following message:

Some Medicare carriers use a claims processing system (known as the ViPS Medicare Part B system) to process Medicare claims. These carriers will not implement this change at this time. Those carriers are:

- Empire Medicare Services
- Blue Cross Blue Shield of Kansas
- Triple-S
- GHI

Until further notice, physicians and independent diagnostic testing facilities who bill these carriers should continue to follow the billing instructions provided in CR 3630 issued on December 23, 2004. That CR can be found at <http://www.cms.hhs.gov/transmittals/downloads/r415cp.pdf> on the CMS website. Also, a corresponding MLN Matters article related to CR 3630 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3630.pdf> on the CMS website.

Background

CR 3481 instituted a national abstract file of the Medicare Physician Fee Schedule (MPFS) containing Healthcare Common Procedure Coding System (HCPCS) codes billable as purchased diagnostic tests and interpretations for every locality throughout the country. Effective April 1, 2005, suppliers, including laboratories, physicians, and IDTFs, are to bill their local carrier for purchased diagnostics tests and interpretations, regardless of the location where the service was furnished. However, until further notice, CMS is delaying the implementation of the billing instructions specified in CR 3481 for purchased diagnostic service claims submitted by physicians due to a locality reporting issue.

Effective April 1, 2005, carriers should price claims based on the ZIP code of the location where the service was rendered when submitted by a laboratory or IDTF, using a CMS-supplied abstract file of the MPFS containing the HCPCS codes that are payable under the MPFS as either a purchased test or interpretation for the calendar year.

Until further notice, carriers should pay the local rate for purchased interpretation claims when submitted by a physician. Carriers should accept and process claims when billed by suppliers enrolled in the carrier's jurisdiction, regardless of the location where the service was furnished. Carriers should allow claims submitted by an IDTF if the IDTF has previously enrolled to bill for purchased diagnostic test components it performs.

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Implementation

The implementation date for this instruction is April 4, 2005.

Additional Information

To view the official instruction issued to your carrier, visit

<http://www.cms.hhs.gov/Transmittals/downloads/R464CP.pdf> on the CMS website.

If you have any questions, please contact your carrier at their toll-free number, which can be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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