

Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)
Date: MAY 23, 2003

Transmittal AB-03-076

CHANGE REQUEST 2701

SUBJECT: Remittance Advice Message for Denial of Clinical Diagnostic Laboratory Services Denied Due to Frequency Edits

I. GENERAL INFORMATION

A. Scope:

The purpose of this Program Memorandum (PM) is to instruct all standard systems to use one remittance advice notice when the basis of the denial is excess frequency. The remittance advice message identified in this PM will be the only remittance advice message used when the denial is based upon frequency edits.

B. Background:

During the negotiated rulemaking for National Coverage Determinations for Clinical Diagnostic Laboratory Services, committee members stated that CMS is not using a consistent message to indicate claims that are denied for excess frequency. We agreed to instruct the Medicare claims processing contractors (intermediaries and carriers) to use specific remittance advice language when the reason for denial is excessive frequency. This PM is required to improve administrative consistency/simplicity of laboratory claims processing.

C. Policy:

When a clinical diagnostic laboratory service is denied for frequency the intermediary or carrier must use standard health care adjustment reason code 151 "Payment adjusted because the payer deems the information submitted does not support this many services."

II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1.1	For Clinical Diagnostic Laboratory services denied due to frequency edits you must use standard health care adjustment reason code 151 "Payment adjusted because the payer deems the information submitted does not support this many services."	Intermediaries/ Carriers

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

B. Design Considerations:

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. ATTACHMENT(S)

<p>Version:</p> <p>Implementation Date: October 1, 2003</p> <p>Discard Date: October 1, 2004</p> <p>Post-Implementation Contact: Contractors should contact their regional office for assistance in resolving any issues that pertain to this PM.</p>	<p>Effective Date: October 1, 2003</p> <p>Funding: These instructions should be implemented within your current operating budget.</p> <p>Pre-Implementation Contact: Joan Proctor-Young (410) 786-0949</p>
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