Purpose:
To establish billing guidelines outlining the documentation required for orders for hospital outpatient tests and services in accordance with Medicare, Medicaid and other federally-funded payer guidelines.

Policy:
Orders for outpatient tests and services are valid provided they are documented and include the data elements as defined in this policy. Absent specific exceptions and consistent with federal and state law, tests and services must be provided based on the order of Physicians acting within the scope of any license, certificate, or other legal credential authorizing practice.

The following are examples of outpatient tests and services that do not require an order to provide the following services:

1) Screening mammography;
2) Influenza virus vaccine and its administration;
3) Pneumococcal pneumonia vaccine (PPV) and its administration; and
4) Individual tests allowed by state self-referral laws. (Please note, many payers, including Medicare, may not pay for such tests without a valid physician order.)

Procedure:
1) OP Laboratory order/requisitions are valid for one year; this includes standing orders
2) An order may include the following forms of communication:
   a) A laboratory order/requisition signed by the treating physician, which is hand-delivered, mailed, or faxed to the testing facility
   b) A laboratory order/requisition provided to the outreach staff from a nursing home/assisted living
   c) An order provided from another laboratory for reference laboratory testing
   d) A verbal/oral order
   e) An electronic transfer by the treating physician or his/her office to the testing facility
3) Medicare does not require the signature of the ordering physician on a laboratory service requisition.
   a) While the signature of a physician on a requisition is one way of documenting that the treating physician ordered the service, it is not the only permissible way of documenting that the service has been ordered.
   b) For example, the physician may document the ordering of specific services in the patient's medical record
4) ALL OP laboratory order/requisition must have the following information:
   a) First and last legal name of the patient
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b) Date of birth
c) ICD-10 diagnosis code
d) Patient gender
e) Specific test(s) needed
f) Provider name/signature

i) For a provider signature to be valid, the following criteria must be met per CMS
   (1) Signatures may be handwritten, electronic, or stamped (stamped signatures are
       only permitted in the case of an author with a physical disability who can provide
       proof to a CMS contractor of an inability to sign due to a disability)
   (2) Signatures are legible.

ii) Orders from nursing homes, assisted living centers, etc.
   (1) Provider signature may be handwritten on laboratory requisition by facility staff
       provided:
       (a) The signed provider order MUST be on the patient’s medical chart at the
           facility (2 times per year nursing home/assisted living center facilities will
           provide 3-4 signed orders to outreach supervisor as proof of compliance).

iii) Orders from other laboratory facilities (LabCorp, Regional West, Quest)
   (1) Provider name may be written on the order as WMC laboratory is the reference
       laboratory (proof of original signed order rests with originating laboratory)

iv) Verbal/oral orders
   (1) A WMC verbal/oral order confirmation must be taken and completed entirely by a
       MT/MLT following the “Phoned Laboratory Orders” procedure.
   (2) The completed verbal/oral confirmation form must be sent to the ordering
       provider for signature.

v) An electronic order transfer by the treating physician or his/her office to the
   testing facility
   (1) The original signed order must be in the medical record at the facility.

5) Complete insurance information must be provided with each lab order if WMC is expected to
   bill the insurance company for services.
6) If patient has Medicare for any reason an MSPQ questionnaire must be completed and sent
   with orders or answers entered into the computer as patient presents.
7) If the patient has Medicare and an ABN (Advanced Beneficiary Notice) is generated this
   must accompany the order.
8) Physician orders that do not include the required elements will be returned via fax to the
   physician’s office for completion. Please provide all necessary information on your orders to
   avoid causing delays in providing services to your patients.
9) Proper physician orders help you not only deliver the right care, right on time and get paid
   for it they also help you document a history of what you do for each patient.
   And since medical records – in addition to being important clinical tracking tools – are
   admissible in court, they can also protect your organization in the event of a dispute.

10) Standing Orders:
   a) Standing orders must include in addition to preceding information:
      i) Frequency
      ii) Start date (valid for 1 year)
11) Therapeutic Phlebotomy Orders:
   a) Therapeutic phlebotomy orders must include in addition to preceding information:
      i) Frequency
      ii) Parameters
      iii) Start date (valid for 1 year)

References