

# *Laboratory Compliance*

## **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 should be able to produce or obtain from the ordering provider the 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.

## **DIAGNOSIS/ICD-10 CODES**

Diagnosis information must be submitted for all tests ordered as documentation of the medical necessity of the service. The laboratory must be able to support tests billed with documentation obtained from the physician ordering the test.

## **REFLEX TESTING**

Reflex testing occurs when initial test results are positive or outside normal parameters and indicate that additional related test is medically appropriate.

## **STANDING ORDERS**

Standing orders are valid for 1 year from the date that the order is written, unless specified for a shorter period of time by the provider. In addition to the patient information, to meet compliance regulations, all orders are required to have:

- ✓ Date ordered
- ✓ Frequency
- ✓ Physician Name or Electronic Signature
- ✓ Diagnosis or ICD-9 code
- ✓ Tests Requested

A written signed and dated standing order will expire after 1 year; the laboratory will be unable to provide services with an expired date.

### **Advanced Beneficiary Notice (ABN)**

An ABN is a waiver of liability, or a notice that a patient should receive when a provider offers a service that they believe Medicare will not cover. The form should be utilized before services are actually furnished, when Medicare may deny payment. ABN's allow beneficiaries to make informed consumer decisions about receiving lab tests which they may have to pay for out of pocket, and to be more active participants in their own health care treatment decisions. If it is expected that payment for lab tests (as listed on ABN) may be denied by Medicare, the beneficiary should be advised 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.

### **CONFIDENTIALITY OF RESULTS/FAX POLICY**

All laboratory results are protected health information. SJH 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 as a method of reporting to your facility. For many clients, SJH Laboratory uses auto-faxing to send reports. It is the client's responsibility to ensure that the fax is in a secure area, properly maintained, and that results are accessed only by appropriate staff. Please inform the laboratory immediately of any change in the fax number or if you receive any results in error.

### **DISCLOSURE OF RESULTS**

Under Federal regulations, SJH Laboratory is only authorized to release results to ordering providers or as designated on the order. Third parties requesting results, including direct requests directly from the patient, are directed to Medical Records.