

# National Coverage Determinations Commonly Asked Questions

## **Q. What is a National Coverage Determination (NCD)?**

- A.** The Centers for Medicare & Medicaid Services (CMS) has standardized the Medicare coverage criteria for 23 groups of laboratory tests. An NCD for a laboratory test is a national policy that grants, limits, or excludes Medicare reimbursement coverage for that test based on medical necessity, and is binding on all Medicare carriers nationwide. NCDs override any existing limitations placed by local carriers for the same tests.

## **Q. What is a Limited Coverage Policy / Limited Coverage Test?**

- A.** In 1996 the Health Care Finance Administration (HCFA), now referred to as the Centers for Medicare & Medicaid Services (CMS) instituted medical necessity guidelines for laboratory tests. These guidelines are commonly referred to as Medicare Limited Coverage Policies (MLCP), Local Medical Review Policies (LMRP), Limited Coverage Policies (LCP), Limited Coverage Tests (LCT), or medical necessity policies. As a result of these policies, a physician is required to list an ICD-9 code when ordering laboratory tests to indicate the medical necessity of those tests. Medicare will only pay for testing that it considers medically necessary.

## **Q. When will the new NCDs become effective?**

- A.** The new NCDs are effective on November 25, 2002.

## **Q. How will I know which tests are now considered NCDs?**

- A.** All NCDs and Local Medical Review Policies (LMRPs) are listed on the enclosed Quick Reference Guide. The new NCDs will be published in Noridians' Medicare B News publication, and will be added to the Sonora Quest Laboratories' Medicare Diagnosis Guide.

Currently, all NCDs except Digoxin and the Hepatitis Panel are listed as LMRPs on the Medical Necessity Requisition and the ABN. Digoxin and the Hepatitis Panel will be added to all Sonora Quest Laboratories tools in the near future.

## **Q. Will the new NCDs be marked in my CCLink or TOROL connection?**

- A.** Yes, all customer electronic ordering systems will be updated by November 25, 2002.

## **Q. How will I know what ICD-9 codes support medical necessity for the new NCDs?**

- A.** CMS has published the full policies in the Federal Register. The Federal Register is available at the CMS website: [www.cms.gov](http://www.cms.gov). Sonora Quest Laboratories will distribute an updated Medicare Diagnosis Guide to you within the next 30 days. This updated guide will include all LMRPs and NCDs. Noridian is expected to publish the NCDs in their Medicare B News Bulletin in the near future.

**Q. Are all of the new NCDs marked on the Sonora Quest Laboratories ABN?**

- A.** All NCDs will be added under the appropriate columns on the ABN effective November 25, 2002. Hepatitis Panel and Digoxin can be written in when necessary under the "Medicare does not pay for these tests for your condition" column.

**Q. What is a Frequency Limitation?**

- A.** CMS has included Frequency Limitations in many of the NCD policies. The Frequency Limitations indicate that Medicare will pay for certain testing under specific circumstances at specific intervals. An ABN should always be collected for Frequency Limitation tests because it is not always possible to know for certain the last time a specific test was performed. These tests will be listed on the ABN under the "Medicare does not pay for these tests as often as this" column.

**Q. What am I required to do when ordering an NCD?**

- A.** See the enclosed "Laboratory Ordering Procedure for Medicare Patients" step-by-step process.

**Q. What do I do when an NCD is subject to Medical Necessity AND Frequency rules?**

- A.** Mark the Frequency test ordered in the column labeled "Medicare does not pay for these tests as often as this (denied as too frequent)" or write-in the test next to "Other" if not listed on the ABN.

Review the ICD-9 code that you provided on the requisition. If the ICD-9 code does not support medical necessity for that test, also mark the test in the column labeled "Medicare does not pay for these tests for your condition" or write the test in next to "Other".

The ABN should then be reviewed with the patient, an Option box chosen, and the form signed and dated. Submit the ABN with the requisition to the laboratory for testing.

**Q. Will these new NCDs be the only Limited Coverage Tests for our Medicare Carrier?**

- A.** No, the new 23 NCDs are the required minimum list of laboratory services that are subject to medical necessity rules by any Medicare carrier. Noridian, the local carrier for Arizona, has many additional Local Medical Review Policies. All tests that currently have limited coverage and are not included in the NCDs will remain limited coverage and will not change.

**Q. Will Noridian be adding or deleting ICD-9 codes from the NCD policies?**

- A.** No, local Medicare carriers are not permitted to develop local policies that conflict with the National Coverage Decision policies.

**Q. Where can I find more information regarding the new NCDs?**

- A.** Along with this packet you should receive our easy to use Laboratory Ordering Procedure For Medicare Patients and also the Medicare Limited Coverage Tests - Quick Reference Guide. An update to our current Medicare Diagnosis Guide will be sent to your office soon, which will include the NCDs and all ICD-9 codes which support medical necessity. You may also visit the CMS website at [www.cms.gov](http://www.cms.gov), or Noridian at [www.noridianmedicare.com](http://www.noridianmedicare.com).