



Dear Referring Physician,

March 8, 2019

The Office of Inspector General (OIG) recommends clinical laboratories send notices annually to physicians and other providers who use their services to inform the recipients of the laboratory's policies for test ordering and billing and provide certain other information regarding the laws and regulations that govern laboratory services. The following information is intended to promote awareness of federal regulations and to explain the requirement for physicians to furnish appropriate documentation when ordering testing services.

MEDICAL NECESSITY:

Medicare will only pay for tests that meet the Medicare coverage criteria and are medically necessary for the diagnosis or treatment of the individual patient. As such, the medical record must contain sufficient documentation to support the necessity of the testing ordered. This should include the patient's diagnosis and other pertinent information such as duration of the patient's condition, clinical course (worsening or improvement), prognosis, nature and extent of functional limitation, other therapeutic interventions and results, and past experience with related items. The medical need for drug testing must be based on patient-specific elements identified during the clinical assessment and documented by the clinician in the patient's medical record. Tests used for routine screening of patients without regard to their individual need are not usually covered by the Medicare Program, and therefore are not reimbursed. As a participating provider in the Medicare Program, Birdrock Laboratories (Birdrock) has a responsibility to educate physicians and to implement test ordering procedures to help ensure all tests requested are performed and billed in a manner consistent with all federal and state law regulations. As the physician, you are responsible for ordering tests only when they are medically necessary, for documenting medical necessity in the patient's permanent medical record, and for providing appropriate diagnostic information in the form of ICD-10 codes to the highest level of specificity or a narrative to Birdrock. *The OIG takes the position that a physician who orders medically unnecessary tests for which Medicare or Medicaid reimbursement is claimed may be subject to civil penalties under the False Claims Act.*

Recent policy changes and health plan actions, including increased use of post-payment audits, have necessitated that Birdrock more aggressively collect documentation of medical necessity, including chart and encounter notes.

TEST ORDERING:

Birdrock has two platforms that may be used to order testing: traditional paper requisition forms and electronic ordering through iPowerDoc. A test requisition form (whether web-based or in paper form) must always be used when ordering tests. The Birdrock requisition forms are designed to emphasize physician choice and encourage physicians to order only those tests which the physician believes are appropriate and medically necessary for the diagnosis or treatment of each patient. If Birdrock receives a test order on a non-Birdrock requisition form or an incomplete Birdrock requisition form, specimen processing may be delayed. As necessary, Birdrock will contact physicians to have them resubmit the test order on a Birdrock test requisition form or otherwise clarify each specific test being ordered.

All requisition forms must include the patient's full legal name, date of birth, date of collection, and licensed ordering provider's name and address. In the absence of a signed requisition, documentation of the provider's intent to order each test must be included in the patient's medical record and available to Birdrock upon request. Documentation must accurately describe the individual tests being ordered.

PATIENT PRIVACY (HIPAA):

Under the Health Insurance Portability and Accountability Act (HIPAA), Birdrock is a health care provider and a covered entity. It is our policy to fully comply with the HIPAA privacy and security standards.

INDUCEMENTS:

Federal law prohibits the offer or payment of any remuneration – meaning anything of value – to induce or reward the referral of tests that are covered by Medicare, Medicaid, or other federal health care programs. Any form of kickback, payment, or other remuneration that is intended to secure the referral of federal health care program testing business is strictly prohibited.

PROHIBITED REFERRALS:

It is the policy of Birdrock to comply with all aspects of the laws and regulations governing physician self-referral, most notably including the federal Stark law (also known as the physician self-referral law). The Stark law's self-referral ban states that if a financial relationship exists between a physician (or an immediate family member) and a laboratory (or certain other kinds of healthcare providers), and the relationship does not fit into one of the law's exceptions, then (a) the physician may not refer Medicare patients to the laboratory, and (b) the laboratory may not bill Medicare for services referred by the physician. The kinds of relationships between laboratories and physicians that may be affected by these laws include the lease or rental of space or equipment and the purchase of medical or other services by a laboratory from a referring physician.

MEDICARE RATES:

Birdrock Laboratories's test list with CPT and HCPCS G-Codes and Calendar Year 2019 Medicare reimbursement rates for each test is attached as Exhibit 1. Medicaid reimbursement will be equal to or less than the amount of Medicare reimbursement.

PATIENT BILLING POLICY:

Insured patients are billed deductibles, co-insurance, and co-payments as required by their insurance provider. Birdrock reserves the right to use resources available to search for active insurance if information is not provided or if the order is marked "Uninsured" or "Patient Does Not Have Insurance."

Birdrock offers a patient self-pay option for patients who wish to waive insurance benefits and pay a flat, out-of-pocket rate for testing services. Coverage of testing services will vary according to type of test ordered, insurance type and patient benefits. Certain tests may not be a covered benefit for some patients due to active LCDs or other insurer coverage policies that limit benefits to narrow clinical indications. Patients seeking testing services who do not wish to use their insurance coverage must sign a Patient Self Payment Agreement or Advanced Beneficiary Notice (Medicare patients only) at the time of ordering. Birdrock will invoice the patient and payment must be received timely. If the patient is found to have no insurance, Birdrock may offer an uninsured rate.

Patients are encouraged to contact us if they have any questions or need to establish payment arrangements. Birdrock's Billing Department can be reached at (619) 797-4122.

Exhibit 1 Urine Drug Testing Codes

2018 CMS HCPCS Code	Code Description	2019 Medicare Allowable
80307	Presumptive drug test - any number of drug classes, any number of devices or procedures by instrumented chemistry analyzers, includes sample validation when performed, per date of service	\$63.36
G0480	Definitive drug tests, 1-7 drug classes*	\$114.43
G0481	Definitive drug tests, 8-14 drug classes*	\$156.59
G0482	Definitive drug tests, 15-21 drug classes*	\$198.74
G0483	Definitive drug tests, 22+ drug classes*	\$246.92

* Drug class includes any of the classes listed below. The list below matches the drugs included in those drug classes, for reference. Includes specimen validity testing, per day, including metabolites if tested.