

Improving the health of the people in our communities by
providing quality, compassionate care to everyone, every time

Laboratory Billing Compliance: Annual Notice to Ordering Providers

December 2021

As recommended by the Office of Inspector General (OIG) of the Department of Health and Human Services (DHHS), the Sparrow Department of Laboratories is hereby providing written notice to you, the ordering healthcare provider, of key information regarding the compliant ordering and performance of laboratory tests in order to ensure adherence to the requirements of Medicare, Medicaid, and other federally-funded programs.

Medical Necessity: Order only those laboratory tests that you believe are medically necessary for the diagnosis and/or treatment of your patient. You must provide the laboratory with the ICD-10 code or descriptive diagnosis that best describes your patient's condition and supports your reason for ordering the test. Medicare will pay only for tests that meet the Medicare coverage criteria and are reasonable and necessary to treat or diagnose an individual patient. Tests ordered are screened against diagnoses provided by the physician according to the National Coverage Determinations (NCDs) issued by the Centers for Medicare and Medicaid Services (CMS) and Local Coverage Determinations (LCDs) issued by National Government Services (NGS) or Wisconsin Physician Services (WPS), Sparrow Health System's Medicare Administrative Contractors. NCD and LCD information is available at <https://www.cms.gov/medicare-coverage-database/indexes/national-and-local-indexes.aspx>.

Advance Beneficiary Notices: If a particular test ordered for a Medicare patient does not meet the NCD or LCD medical necessity guidelines or is otherwise likely not to be covered, an Advance Beneficiary Notice (ABN) must be provided to your patient, informing your patient of his/her potential financial responsibility for the test if Medicare denies the service. If your patient elects to receive the service and sign the ABN, the claim will first be submitted to Medicare for an initial determination. If Medicare denies the test, the patient will then be billed for the test. Alternatively, your patient has the option not to receive the service and not sign the ABN. When indicated, the laboratory will provide ABNs to patients at its draw sites.

Test Panels: Claims for reimbursement for organ-related panels, disease-related panels, and custom panels will be submitted and paid only when all components of the panel are medically necessary. An appropriate diagnosis (ICD-10) must be provided for each test order.

Medicare Laboratory Fee Schedule: The Medicare Clinical Laboratory Fee Schedule with CPT (current procedural terminology) codes is available at <http://www.cms.hhs.gov/ClinicalLabFeeSched>. The Medicaid reimbursement amount will be equal to or less than the amount of Medicare reimbursement.

False Claims: The OIG takes the position that an individual who knowingly causes a false claim to be submitted may be subject to sanctions or remedies available under civil, criminal, and administrative law. Your documentation must be sufficient to support the medical necessity of the service the

Central Laboratory

1215 E. Michigan Avenue
P.O. Box 30480
Lansing, Michigan 48909-7980

T 517.371.9500
F 517.371.9540
SparrowLabs.org

laboratory has provided and billed to Medicare. Sparrow Laboratories will not knowingly bill Medicare for tests that are not covered, reasonable, or necessary.

Reflex Testing: Reflex testing occurs when initial test results indicate additional testing is medically appropriate and reflect the best standards of patient care. Reflex tests also generate charges. Reflex tests and reflex test criteria are listed in the attached table and the Sparrow Laboratories test catalog (sparrowlabs.testcatalog.org). If the reflex testing is non-mandatory, the reflex testing can be declined at the time of order.

Supplies: Per CMS regulations and Stark Law, Sparrow Laboratories can only provide supplies that are used solely to collect, transport, process, or store specimens referred to Sparrow Laboratories. Sparrow Laboratories monitors the volume of supplies provided to your offices. Supply volumes must reasonably match volumes of testing received.

Thank you for your support of our Laboratory Compliance Program. If you have questions about this notification, please contact me at the email address or the telephone number listed below.

Sincerely,

A handwritten signature in blue ink that reads "James Richard, DO". The signature is fluid and cursive, with the "DO" being particularly prominent.

James Richard, DO
Director of Laboratories, Sparrow Health System
517-364-2520
James.Richard@sparrow.org

Sparrow Laboratories Reflex Test List

****Ordering Providers: At the time of ordering, call Sparrow Laboratories at 517-371-9500 if you DO NOT want the reflex test(s) listed below to be performed.****

Initial Test	Soft Test Code	CPT Code(s)	Reflex Criteria	Reflex Test(s)	Soft Test Code for reflex test(s)	CPT Code for reflex test(s)
Drugs of Abuse Panel - Urine (Includes Tricyclics; Use for ED Patients)	DAPU4	80101	Presumptive positive	Confirmation Testing	SMACO BARCO BNZCO COCCO ETHOX MTDCO OPICO PCPCO THCCO TCACO	80324,80359 80345 80346 80353 80320 80358 80361,80365 83992 80349 80337
Drugs of Abuse Panel - Urine (No Tricyclics)	DAPU5	G0431	Presumptive positive	Confirmation Testing	SMACO BARCO BNZCO COCCO ETHOX MTDCO OPICO PCPCO THCCO	80324,80359 80345 80346 80353 80320 80358 80361,80365 83992 80349
Anti-Nuclear Antibody Screen	ANAS	86038	Positive or Equivocal	Extractable Nuclear Ag. Ab, IgG, Screen dsDNA Antibody	ENAS DDNAA	86038 86225
Extractable Nuclear Ag. Ab, IgG, Screen	ENAS	86038	Positive	Ab. to Extractable Nuclear Ag., IgG, Evaluation Panel (Ro/SSA, La/SSB, SM, U1RNP, Jo1, SCL70)	ENAE1	86235 x 6
Streptolysin O Antibody	ASO	86060	Normal	Serum Anti-DNase B Titer	ADNAS	86215
Strep A Rapid Antigen reflex DNA	DNAAN	87650	Negative	Beta Strep in Throat by PCR	PCRST	87651 & 87798
Infectious Mononucleosis Screen-Reflex EBV	EBMON	86308	Negative	EBV Panel	EBV2	86664 86665 86665
Antibody screen	MTS	86850	Positive	Antibody Identification Panel	ABID	86870

Ordering Providers: At the time of ordering, call Sparrow Laboratories at 517-371-9500 if you DO NOT want the reflex test(s) listed below to be performed.**

Initial Test	Soft Test Code	CPT Code(s)	Reflex Criteria	Reflex Test(s)	Soft Test Code for reflex test(s)	CPT Code for reflex test(s)
Cryptococcal Antigen, Fluid	CAGFL	87327	Positive	Fungal Culture (only initial positive CSF specimens)	CXFUN	87102
HIV Ag/Ab Combo	HIVCB	87389	Reactive	HIV 1&2 Supplemental Assay	HIVAD	86689
Syphilis Ab	SYPAB	86780	Reactive	RPR Titer	RPR2T	86592
RPR Titer (part of the Syphilis Ab flowchart)	RPR2T	86592	Negative	T. palladium Particle Agglutination	NA MDHHS Test	
RPR Response to Therapy	RPR2T	86592	Reactive	RPR Quantitative Titer	RPRQ	86593
Hepatitis B Surface Ag	HBSA	87340	Reactive	Hepatitis B Surface Ag Confirmation	HBSAC	86382
Hepatitis C Quant Viral Load/Genotype	HCVQG	87902	HCVQN>1000 IU/mL	HCV Genotyping Non-Reflex	LCHCG	87902
HPV High Risk with Reflex Genotype	HPVRX	87624	Positive	HPV 16/18 Genotyping	H1618	87625
Group B Strep by PCR	PCBSB	87798	BSB=positive AND patient has penicillin allergy	Cervical/Vaginal Culture	CXCV	87070