



MEMO

To: Regional Medical Laboratory - Clients

From: Dean Hudson, Director of Billing
C. Terrence Dolan, M.D., President

Date: February 8, 2008

Re: New Medicare Administrative Contractor for Oklahoma Part B Services Effective March 1, 2008

TrailBlazer Health Enterprises of Texas will become the Medicare Administrative Contractor of Oklahoma Part B Services effective March 1, 2008. Regional Medical Lab will be required to follow new guidelines for Local Coverage Determinations.

Medicare has frequency guidelines for specific tests. If these tests are ordered more frequently and are routine screening, Medicare will not pay for the testing and will require an ABN to be signed prior to testing in order to bill the patient.

Please take notice of the 2008 Advanced Beneficiary Notice Requirements for the new LCD tests and new frequency guidelines. Medicare has also set National frequency guidelines for hepatic panel, cholesterols and triglycerides. The National Coding Determination states that these should not exceed a cumulative of six (6) tests per 12 months for cholesterols and triglycerides.

To comply with the regulations, RML requires an Advanced Beneficiary Notice (ABN) to be completed and forwarded to the lab, on all Medicare patients who have the following tests ordered:

**PAP SMEARS (Conventional or Liquid base); OCCULT BLOOD
PSA; CHOLESTEROL; TRIGLYCERIDE; HEPATIC PANEL**

These requirements are in addition to the ABN's required to comply with the Medical Necessity Guidelines that has been set forth by Texas TrailBlazers and the National Coding Determination. Tests that are collected at the physician's office and do not justify medical necessity will require an ABN to be completed.

Laboratories cannot write off denied charges resulting from ABN failures, since this can invoke the anti-kickback statutes that pertain to physician/laboratory relationships. If RML does not possess a valid, signed ABN, we will have no recourse except to bill the respective client for the test(s) ordered.

Regional Medical Laboratory will make available to all clients an updated guideline for Medicare's National Coverage Determinates (NCD) and Local Coverage Determination (LCD). These policies will be made available to each client either via internet, CD or printed copy. Please indicate which medium you would prefer to receive this information by contacting our Medicare Coordinator or by visiting our website today.

(<http://www.rmlonline.com>, select the Billing tab, and then select NCD and LCD's.)

If you have any questions please contact our Medicare Coordinator, Beth Scott at 918-384-2219 or 1800-331-9102 extension 219 or via email at bscott2@sjmc.org.