

Bulletin Number: MSA 14-50

Distribution: Hospital Laboratories

Issued: December 1, 2014

Subject: Billing for Services Performed by Reference Laboratories Under Arrangements with Enrolled Hospital Laboratories

Effective: January 1, 2015

Programs Affected: Medicaid, Children's Special Health Care Services (CSHCS), Healthy Michigan Plan

Background

As laboratory testing continues to become increasingly specialized, hospital laboratories may find it necessary to refer specimens to reference laboratories for testing if they lack the capability to process the specimens in-house.

This bulletin provides coverage and billing requirements for Medicaid-covered laboratory procedures performed by reference laboratories that are under contractual arrangement with enrolled hospital laboratories. This would include any laboratory procedure covered by Current Procedural Terminology (CPT) codes 80000-89999, or applicable Healthcare Common Procedure Coding System (HCPCS) codes.

Medicaid will align with Medicare's definitions of reference and referring laboratories as follows:

- Reference laboratory – An enrolled laboratory that receives a specimen from another, referring laboratory for testing and that actually performs the test.
- Referring laboratory – A laboratory that receives a specimen to be tested and that refers the specimen to another laboratory for performance of the laboratory test.

Billing Requirements

Following Medicare guidelines and applicable state and federal laws, in situations where an enrolled hospital laboratory must refer a specimen to a reference laboratory, the enrolled laboratory will be allowed to bill Medicaid for the services provided by the reference laboratory under the following conditions:

1. The reference laboratory holds the required Clinical Laboratory Improvement Amendments (CLIA) certification and state licensure, if required, to perform the test;
2. The enrolled hospital laboratory and the reference laboratory have a contractual agreement (termed "Under Arrangements" by Medicare) to provide such services with the hospital laboratory responsible for reimbursing the reference laboratory for the services; and
3. If the service requires prior authorization, the enrolled hospital laboratory must request and receive prior authorization approval for the service to be performed by the reference laboratory. The prior authorization number must be included on the claim.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Stephen Fitton, Director
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