

ALABAMA MEDICAID AGENCY
ADMINISTRATIVE CODE

CHAPTER 560-X-9
INDEPENDENT LABORATORY SERVICES

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560-X-9-.01 Independent Laboratory Services-General.

The Alabama Medicaid Agency will pay for services provided by independent laboratories that are enrolled by contract under the following conditions:

- (1) The services must be medically necessary.
- (2) The patient must be eligible for Medicaid at the time the services are rendered.

Author: James F. Adams, Sheila G. Dunbar, Debra Moore

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §440.30.

History: Rule effective October 1, 1982. Amended effective June 5, 1983; July 9, 1984. **Emergency rule** effective October 15, 1990. Amended effective January 15, 1991. **Amended:** Filed September 8, 1998; effective October 13, 1998.

560-X-9-.02 Covered Services.

Laboratory Services are professional and technical laboratory services -

- (a) ordered and provided by or under the direction of a physician or other licensed practitioner of the healing

arts within the scope of his practice as defined by state law;

(b) ordered by a physician but provided by a referral laboratory;

(c) provided in an office or similar facility other than a hospital outpatient department or clinic; and

(d) provided by a laboratory that meets the requirements for participation in Medicare.

(1) Laboratory services are restricted to those that are described by procedures in the CPT manual (80000 series) or one of the locally assigned HCPCS codes used only by Medicaid to supplement the listing in the CPT manual.

(2) Providers will be paid only for covered services which they are certified to perform and which they actually perform.

(3) Physicians who send specimens to independent laboratories for analysis, and laboratories that provide specimen collection services for referral to other laboratories, may bill for a collection fee. This fee shall not be paid to any provider that has not actually collected the specimen from the patient.

(4) Routine venipuncture for collection of laboratory specimens may be billed only when sending blood specimens to another site for analysis. The collection fee may not be billed if the lab work is done at the same site where the specimen was drawn, or in a lab owned, operated, or financially associated with the site in which the specimen was drawn.

Author: Lynn Sharp, Associate Director, Policy Development Unit
Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §440.30.

History: Rule effective October 1, 1982. Emergency Rule effective October 15, 1990. Amended effective January 15, 1991. **Amended:** Filed September 8, 1998; effective October 13, 1998. **Amended:** Filed November 6, 2000; effective December 11, 2000.

560-X-9-.03

Participation Requirements.

(1) Independent laboratories must meet the following requirements for participation in the Alabama Medicaid program:

(a) Be certified for participation with Medicare.

(b) Have a valid CLIA certification (i.e., clinical labs).

(c) Have a Physician's supervisory Certification and utilize certified technicians for ultrasounds, Doppler services, and non-invasive peripheral vascular studies (i.e., physiological labs).

(d) Must be independent of any hospital, clinic, or physician's office.

(e) Be licensed in the state where located, when it is required by that state.

(f) Submit to routine audits by Medicaid.

(g) Complete an application with all required attachments.

(h) Sign a provider agreement.

(i) Sign a Direct Deposit Authorization.

I. Sign a Civil Rights Statement of Compliance.

(k) Effective date of enrollment will be the date of issuance of license. If license is not required in the state of residence, the effective date of enrollment will be the date of CLIA certification. However, providers who request enrollment more than 120 days after the above application date will be enrolled on the first day of the month the request for enrollment is received.

Author: Ginger Collum, Program Manager, Clinic/Ancillary Services

Statutory Authority: State Plan; 42 C.F.R. §440.30; Title XIX, Social Security Act; 42 C.F.R. Section 493.2.

History: Rule effective October 1, 1982. **Emergency Rule:** effective October 15, 1990. Amended effective January 15, 1991; June 14, 1993. **Amended:** Filed September 8, 1998; effective October 13, 1998. **Amended:** Filed February 8, 2002; effective March 15, 2002.

560-X-9-.04 Reserved.

Author: Debra Moore

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §440.30; §493.2.

History: Rule effective October 1, 1982. **Emergency rule** effective October 15, 1990. Amended effective January 15, 1991; effective June 14, 1993. **Repealed:** Filed September 8, 1998; effective October 13, 1998.

560-X-9-.05 Reserved.

Author: Debra Moore

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §440.30.

History: Rule effective October 1, 1982. Amended effective March 11, 1985. Emergency rule effective October 15, 1990. Amended effective January 15, 1991. **Repealed:** Filed September 8, 1998; effective October 13, 1998.

560-X-9-.06 Claims Filing Guidelines.

(1) For time limits on claims submission refer to the Medicaid Provider Manual, Independent Laboratory chapter.

(2) Claims for lab services must contain a valid diagnosis code.

(3) Claims submitted must contain the provider number of the lab that actually performed the services. Claims must not be submitted using any other provider number, such as the provider number of the referring physician or hospital.

(4) All organ and disease oriented panels must include the tests listed with no substitutions. If only part of the tests included in a defined panel are performed, the panel code should not be reported. If additional tests to those indicated in a panel are performed, those tests should be reported separately in addition to the panel code. If two panels overlap, the physician or laboratory will be required to unbundle one of the panels and bill only for the tests that are not duplicative.

Author: Lynn Sharp, Associate Director, Policy Development Unit
Statutory Authority: State Plan, Title XIX Social Security Act; 442 C.F.R. §§405.40 *et seq.*

History: Ed. Note: Previous rule "Contractual Requirements" effective October 1, 1982. Emergency repeal effective October 15, 1990. Permanent repeal effective January 15, 1991. **Amended:** Filed September 8, 1998; effective October 13, 1998. **Amended:** Filed November 6, 2000; effective December 11, 2000.

560-X-9-.07 Reserved.

Author: Sheila G. Dunbar, Debra Moore

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §§405.401, *et seq.*

History: Rule effective October 1, 1982. Amended effective December 6, 1984. Emergency Rule effective October 15, 1990.

Amended: effective January 15, 1991. **Amended:** Filed September 8, 1998; effective October 11, 1998. **Repealed:** Filed September 8, 1998; effective October 13, 1998.

560-X-9-.08 Third Party Payment Procedures.

For guidelines on submitting claims to Medicaid when a third party is involved, refer to the Medicaid Provider Manual, Independent Laboratory chapter.

Author: Lynn Sharp, Associate Director, Policy Development Unit

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §§401, etseq.

History: Ed. Note: Previous rule "Disclosure of Ownership Information" effective October 1, 1982. Emergency repeal effective October 15, 1990. Permanent repeal effective January 15, 1991.

Amended: Filed September 8, 1998; effective October 13, 1998.

Amended: Filed November 6, 2000; effective December 11, 2000.

560-X-9-.09 Sending Bills And Statements To Medicaid Recipients.

(1) Providers should not send recipients bills or statements for covered services once the recipient has been accepted as a Medicaid patient.

(2) Providers may send a notice to the recipient stating their claim is still outstanding if the notice indicates in bold letters, "THIS IS NOT A BILL".

(3) Providers are responsible for follow-up with the fiscal agent or Medicaid on any billing problems or unpaid claims.

(4) Providers agree to accept the amount paid by Medicaid as payment in full.

(5) Recipients are not responsible for the difference between charges billed and the amount paid by Medicaid for covered services.

(6) Recipients may be billed only for the allowable copayment amount, for services not covered by Medicaid, or when benefits have been exhausted.

(7) Providers may not deny services to any eligible recipient due to the recipient's inability to pay the allowable copayment amount.

Author: Medicaid Agency

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §§447.50, 447.55.

History: Ed. Note: Previous rule "Out-of-State Facilities" effective October 1, 1982. Amended effective March 11, 1985. Emergency repeal effective October 15, 1990. Permanent repeal

effective January 15, 1991. **Amended:** Filed September 8, 1998; effective October 13, 1998.

560-X-9-.10 **Reserved.**

Author:

Statutory Authority: State Plan, Section 3.1; Title XIX Social Security Act; 42C.F.R. §440.50; Deficit Reduction Act of 1984.

History: Rule effective October 1, 1982. Amended effective March 12, 1984; June 8, 1984; January 8, 1985. **Emergency rule** effective January 14, 1985. Amended effective April 11, 1985; May 8, 1985; November 11, 1985. **Emergency rule** effective October 15, 1990. Amended effective January 15, 1991; **Emergency rule** effective May 15, 1993. **Amended:** Filed July 7, 1993; effective August 11, 1993. **Repealed:** Filed September 8, 1998; effective October 11, 1998.

560-X-9-.11 **Reserved.**

Author:

Statutory Authority:

History:

Ed. Note: Previous rule "Claims Processing" effective October 1, 1982. Emergency repeal effective October 15, 1990. Permanent repeal effective January 15, 1991.

560-X-9-.12 **Non-Covered Services.**

(1) Medicaid will not pay packing and handling charges for referred laboratory services. Payment for referred tests will be made to the referred laboratory only at the normal rate. This policy shall be monitored through post payment review by Medicaid.

(2) Medicaid will not pay for lab services provided to Medicare/Medicaid recipients of the services have been determined to be non covered by Medicare.

Author: Charles A. Reasner, Debra Moore; Sharon Bean.

Statutory Authority: State Plan; Title XIX, Social Security Act; 42 C.F.R. §§440.30, 440.50; Deficit Reduction Act of 1984.

History: Rule effective October 1, 1982. Amended effective November 11, 1985; January 8, 1986. **Emergency rule** effective October 15, 1990. Amended effective January 15, 1991; October 13, 1992. **Amended:** Filed September 8, 1998; effective October 13, 1998.