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By Nina Youngstrom

With no word of another delay, hospitals and independent labs have to comply with a new Medicare “exceptions” policy for advanced diagnostic laboratory tests (ADLTs) and molecular pathology tests on Jan. 2, 2020.^[1] The exceptions policy changes things in two ways: It requires independent labs to bill Medicare instead of the hospital, and it considers the date of service the day the lab test was performed rather than the day the specimen was collected. That may wreak a little havoc, because some of the labs that perform these specialty tests may not be able to comply with the new billing requirements, forcing hospitals to find other labs to perform the ADLTs and molecular pathology tests, compliance officers say.

“Medicare is changing the way it pays independent labs that perform these tests,” says Natalie Uy, hospital compliance analyst with UNC Health Care System in Chapel Hill, North Carolina. Hospitals currently contract “under arrangement” with these labs, which bill the hospitals. But soon the labs must bill Medicare directly for the tests, as long as certain conditions are met.

“The concern we have is that some of these independent labs we have been using have very limited capability to update their systems for billing Medicare, and so they were saying, ‘Can they still go on billing the hospital?’ Under the new rule, they can’t,” Uy explains. Their lack of compliance is the reason the exceptions policy was postponed several times since its original 2018 effective date, but apparently there’s no more delaying the inevitable.

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