

## **2011 Physician Education**

### **Medicare Coverage and Medical Necessity Rules for Qualitative Drug Screens**

This educational bulletin is provided to AIT Laboratories' clients in order to provide on-going education on Medicare's coverage and payment policies for drug screen tests. Medicare only pays for services that are covered, reasonable, and necessary for the beneficiary, given his or her clinical condition.

As a laboratory, **AIT Laboratories** (AIT) must depend on our ordering clinicians to provide appropriate, full, and accurate documentation to support medical necessity for each test ordered. At the same time, Medicare may deny payment for tests that the ordering physician believes is appropriate but that do not meet the Medicare coverage criteria or where documentation in the patient record does not support that the tests were reasonable and necessary for the patient.

#### **Medicare Coverage for Qualitative Drug Screens**

Currently, there is no national coverage policy for qualitative drug screens. Therefore, AIT is governed by a local coverage determination (LCD) established by AIT's Medicare contractor, National Government Services (NGS). According to the LCD, qualitative screening panels should be used "when the results will alter patient management or disposition." The LCD sets specific criteria for coverage of qualitative drug tests for monitoring of chronic pain patients in whom other drug use is suspected. The drugs or drug classes for which screening is performed should reflect only those likely to be present, based on the patient's medical history or current clinical presentation. Drugs for which specimens are being screened must be indicated by the referring provider on the written order.

#### **ICD-9 Coding**

It is the responsibility of the ordering clinician to code to the highest level specified in ICD-9-CM (e.g., to the fourth or fifth digit). For the monitoring of patient compliance in a drug treatment program, the LCD indicates that code **V71.09** should be the primary diagnosis and that the specific drug dependence diagnosis should be the secondary diagnosis. For the monitoring of patients on methadone maintenance and chronic pain patients with opioid dependence who are suspected of abusing other illicit drugs, code **V58.69** should be used. For a complete list of ICD-9 codes, please visit the referenced link below.

#### **Documentation Requirements**

According to the LCD, the patient's medical record must contain documentation to fully support the medical necessity of qualitative drug screens. This documentation includes, but is not limited to, relevant medical history, physical examination, progress notes, and results of pertinent diagnostic tests or procedures. Medical record documentation (e.g., history and physical, progress notes) maintained by the ordering clinician must indicate the medical necessity for performing a qualitative drug screen. All tests must be ordered in writing by a treating provider, and all drugs/drug classes to be screened must be indicated in the order. A copy of the signed AIT test requisition will meet this requirement if included in the medical records. Upon request by NGS or another federal contractor, physician supporting medical records and laboratory records must be provided.

#### **Payment Amounts**

Medicare pays clinical laboratories an amount established annually as part of the clinical laboratory fee schedule. Medicaid reimbursement will be equal to or less than Medicare reimbursement.

#### **For More Information**

Copies of the LCD, Medicare fee schedule, and AIT's test catalog are available on AIT's website [www.AITLabs.com](http://www.AITLabs.com). For more information, please contact AIT's Client Services Department at 800 875-3894.