December 11, 2017

To: Ordering Clinicians – NPs, PAs, and MDs
Zuckerberg San Francisco General Hospital and Trauma Center

From: Barbara Haller, MD, PhD
Chair, Laboratory Compliance Committee
ZSFG Clinical Laboratory

cc: Hospital Compliance Officer
Laboratory Compliance Committee

Re: Medical Necessity Requirements, Office of Inspector General, Laboratory Compliance Plan

As part of the Laboratory Compliance Committee's oversight plan for the federal Office of Inspector General (OIG), we are required to annually notify all physicians of the following policies, developed to reflect government guidance:

- The ordering clinician is required to provide ICD-10 diagnosis codes that support the medical necessity of all tests ordered.
- Medicare national and local coverage determinations (NCD’s & LCD’s) exist for certain lab tests (reference: https://www.cms.gov/medicare-coverage-database/reports/national-and-local-reports.aspx)
- Medicare and some other payers will not pay for screening tests if the patient displays no symptoms or evidence of disease and may not pay for tests that are not FDA approved or are experimental.
- Medi-Cal fees are equal to or lower than Medicare lab fees.
- All panels (organ and disease or custom) will be billed and paid only when all components are medically necessary.
- A list of reflex tests with reflex test criteria and billing details, approved by ZSFG Medical Executive Committee, is available on the ZSFG Clin Lab Manual website: http://labmed.ucsf.edu/sfghlab/index.html. Click on link “Medical Necessity Requirements…”
- A current Medicare lab fee schedule with CPT (current protocol terminology) codes is available upon request from the Clinical Laboratory. Clinical Laboratory consultation is also available and accessed by calling the main line at (415) 206-8590.

Material contained in this yearly notification is current as of the date published and is subject to change without notice. According to OIG, “a physician who orders medically unnecessary tests and knowingly causes a false claim to be submitted may be subject to sanctions or remedies under criminal or administrative law.”

In addition, we are required to communicate to you the means by which you may report incidences of fraud, abuse, waste or misconduct. Reporting can be done through the UCSF Whistleblower Hotline at (800) 403-4744 or the ZSFG Compliance Hotline: (855) 729-6040.

If you have any questions regarding this memo, please contact Dr. Barbara Haller, MD, Chair of the ZSFG Laboratory Compliance Committee at (415) 206-8588.