

# Physician Notice Regarding Medicare National and Local Coverage Determinations

## What is a Medicare Coverage Determination?

### **Coverage determinations:**

- Describe the criteria and coverage limitations that apply to particular services, procedures or devices for coverage and payment purposes
- Are based on clinical evidence, intended to reflect accepted current consensus and defined by Medicare as being reasonable and necessary
- Apply to both hospitals and physicians, although there may be instances where the coverage criteria differ

### **Two types of coverage determinations**

- **National Coverage Determinations (NCDs)**
  - Developed by the Centers for Medicare and Medicaid Services (CMS)
  - Applied on a nationwide basis
- **Local Coverage Determinations (LCDs)**
  - Developed by a local Medicare Contractor, *e.g.*, Fiscal Intermediary (FI), Carrier or Medicare Administrative Contractor (MAC)
  - Applied locally
  - Established for services and procedures not articulated in an NCD
  - Can be based on an NCD, but cannot conflict or be less restrictive than an NCD

## What do NCDs and LCDs address?

### **NCDs and LCDs**

- Cover services ranging from the simple, *e.g.*, CBC, to the complex, *e.g.*, heart transplants
- Vary in the level of requirements for coverage
- Some are rather general and allow coverage with sufficient clinical documentation
- Others provide more specific clinical requirements for coverage, including situations in which a service or procedure would not be covered

## What does this mean to the hospital and physician?

- Procedures or services subject to an NCD/LCD must meet the NCD/LCD requirements in order to be covered and paid.
- When ordering services, such as lab or imaging tests, physicians must provide a diagnosis, sign, symptom, or ICD-9-CM code.
- When scheduling certain surgical or interventional procedures, such as implantable cardiac defibrillators, bariatric surgery or HBO therapy, physicians may be asked to provide additional clinical information and/or documentation.

### **What assistance is available in determining whether an NCD/LCD applies or what criteria are contained in an NCD/LCD?**

Contact the appropriate ancillary department. They maintain a current list of applicable NCDs/LCDs and can make available a clinical contact to assist with any questions.

### **What happens when a service or procedure does not meet the NCD/LCD requirements?**

- Medicare coverage and payment are at risk if the service or procedure does not meet the NCD/LCD requirements.
- Physicians will be notified. The hospital will request the physician to provide additional information or to reschedule the procedure, if appropriate. With sufficient, appropriate additional information, the NCD/LCD requirements may be met.

### **What does this mean to the patient?**

- If the service or procedure, as documented, does not meet the NCD/LCD criteria, the patient will be so informed but may still choose to have the service or procedure.
- If they choose to proceed with the service or procedure, they will be asked to sign an Advance Beneficiary Notice of Noncoverage (ABN) (for outpatient services) or Hospital Issued Notice of Non-Coverage (HINN) (for inpatient services).
  - The purpose of the ABN and HINN is to give the patient advance notice that Medicare may not pay for the test, procedure or service ordered. If Medicare does not pay, the patient will be liable for payment.

- The guiding principle in obtaining an ABN or HINN is not whether you, as a physician, believe that the procedure or service is medically necessary. But rather, whether the patient's diagnosis, signs, or symptoms meet the NCD/LCD requirements.
- The patient may be able to appeal Medicare's decision not to pay for the service or procedure. The hospital can assist the patient with the appeal.

### **How can we work together?**

- The hospital will keep physicians informed of key NCD/LCD requirements.
- Physicians should become familiar with the NCD/LCD requirements that pertain to the services they order and/or provide.
- Physicians must provide the hospital with the information it needs to determine Medicare coverage.
- If a service or procedure does not meet an NCD/LCD, physicians must decide whether to reschedule or to proceed as planned with the service or procedure.
  - They should explain these options to the patient including their potential financial liability if they receive services that Medicare does not cover.
  - They should also work with the hospital to obtain and/or explain the ABN or HINN to the patient, including why Medicare may not pay.