

Part B Insider (Multispecialty) Coding Alert

Lab Coding: Labs Can Stop Sweating Physician Signatures for Now

CMS delays need for signed requisitions until after first quarter, 2011.

If you've been worried about the new physician signature requirement that might wreak havoc with your lab pay, you have a temporary reprieve.

Jan. 1 was the initial deadline for referring physicians and non-physician practitioners (NPP) to personally sign all paper requisitions for clinical lab tests, but CMS posted a notice delaying the implementation date.

Here's why: CMS states that it will postpone the start date to concentrate on "developing educational and outreach materials to educate those affected by this policy."

Here's when: "The notice doesn't give a specific date, but does clearly state that 'once our first quarter of 2011 educational campaign is fully underway, CMS will expect requisitions to be signed.' With that being said, labs should be ready to enforce the implementation of this policy by April 1," says **Larry Small, M.S., MT (ASCP)**, lab compliance and billing consultant with Collaborate in Tampa, Fla.

"Once CMS applies the rule, Medicare will deny payment to the performing lab and/or pathologist for all applicable tests and procedures ordered via paper requisition that is not appropriately signed," says **Dennis Padget, MBA, CPA, FHFMA**, president of DLPadget Enterprises Inc. and publisher of the Pathology Service Coding Handbook, in The Villages, Fla.

CMS clearly states in the 2011 Physician Fee Schedule (PFS) final rule that the new physician/NPP signature requirement is for paper requisitions for clinical diagnostic lab tests paid under the Clinical Laboratory Fee Schedule (CLFS).

"Past Medicare policy specifically did not require a physician signature on clinical lab test requisitions, so this is a big change," says **Stan Werner, MT (ASCP)**, administrative director of Peterson Laboratory Services PA in Manhattan, Kan.

Paper requisitions only: The new physician/NPP signature requirement applies only to paper "requisitions." "This policy does not affect physicians or NPPs who choose not to use [paper] requisitions to request clinical diagnostic laboratory tests paid under the CLFS. Such physicians or NPPs can continue to request such tests by other means, such as by using the annotated medical records, documented telephonic requests, or electronically," according to the PFS final rule.

"Note that a 'requisition' in this context is a paper document, including a fax," Padget clarifies.

Why the change: CMS states that the existing policy has caused confusion in the lab provider community over what constitutes a proper order. But Medicare may have other reasons. "Reliable sources report that Recovery Audit Contractors (RACs) have complained to CMS about the problems they encounter when trying to verify the authenticity of clinical lab tests and pathology procedures performed on the basis of unsigned paper requisitions," Padget explains.

What About Anatomic Pathology?

Although the PFS policy specifically requires physician/NPP signatures for paper requisitions for clinical diagnostic lab tests paid under the CLFS, the requirement may not end there.

"A careful reading of the entire discussion in the PFS final rule leads to the conclusion that CMS intends that paper requisitions for anatomic pathology procedures and services must also bear the signature of the referring physician or NPP," Padget concludes.

For instance: The PFS final rule states that CMS is changing the policy partly for consistency so that "a physician's signature would then be required for all requisitions and orders, eliminating uncertainty over ... whether the type of test being ordered requires a signature, or which payment system does or does not require a physician or NPP signature." CMS goes on to define a requisition as "the actual paperwork, such as a form ... which may contain ... specimen information, shipping address for specimens or tissue samples, and checkboxes for test selection." Taken together, these statements imply that physicians or NPPs must also sign requisitions accompanying anatomic pathology specimens.

"The new signature policy will be a real problem if it applies to surgical pathology procedures, because the specimen typically goes to pathology before the surgeon leaves the operating room -- and the surgeon does not pause to sign a requisition form," Werner says.

Possible solution: "I believe most surgeons will cooperate with reasonable signature protocols. For example, they might sign or initial the pathology requisition before they scrub for the procedure. Alternatively, the circulating nurse can print the surgeon's name on the requisition, and then the surgeon can scribble his or her initials next to the printed name after closing the surgical wound," Padgett offers.

Pathology Add-Ons Appear Safe

The Medicare PFS final rule does not discuss signature requirements for pathology add-ons like special stains, immunohistochemistry, FISH, and cytogenetics.

Currently, pathologists can "self-order" lab tests and pathology procedures that they deem medically necessary to reach a diagnosis for a pathology case referred to them by the patient's treating physician. This exception is outlined in section 80.6.5 of chapter 15 of the Medicare Benefit Policy Manual.

"Presumably this self-order privilege for pathology add-ons will remain intact," Padgett says. "But you should carefully review near-term information from your Medicare contractor and other reliable sources in case CMS unexpectedly changes this policy too."

Chicken Scratch Won't Count

CMS provides specific guidance on what constitutes an acceptable "signature" for documents subject to review for Medicare payment or by an audit contractor. Make sure your documents measure up by complying with one of the following options:

1. **Make Sure It's Legible:** The simplest signature -- but most difficult to ensure -- is a legible full-name signature or a legible signature using first initial and last name. Unfortunately, you won't find many physicians or NPP who have a legible signature, and you certainly won't want to stake your payment on it. That's when you'll turn to option 2.
2. **Accept Printed Name with Scribble:** If you can't count on ordering physicians and NPP to legibly sign requisitions, you do have an alternative. Other personnel, such as a circulating nurse, can print the full name of the ordering physician/NPP on the requisition. Then the physician/NPP can initial next to or above the full printed name. In this case, the initials do not have to be legible to count as a legitimate signature.

Alternatively, if you submit a signature log or attestation statement that identifies the signer of an illegible signature, you can meet the signature requirement that way.

Resource: You can read the full instruction for signature requirements in Transmittal 327, Medicare Program Integrity Manual, CMS IOM 100-08, available at <http://www.cms.gov/transmittals/downloads/R327PI.pdf>, and the associated MLN Matters article at <http://www.cms.gov/MLNMattersArticles/downloads/MM6698.pdf>.