

## Part B Insider (Multispecialty) Coding Alert

### Medicare 101: Can You Differentiate NCDs From LCDs?

**CMS explains this and other pressing issues that impact your reimbursement.**

If you've ever checked out a national coverage decision (NCD) for a particular procedure and didn't feel the need to read the local coverage decision (LCD) for the same service, you could be missing important information.

This fact, along with several other reimbursement hints, were elucidated by CMS's **Lauren Robbins** during CMS's June 23 webinar, "Medicare Basics, Part Two." Read on for some facts about Medicare billing and coding.

#### **You Choose Whether to Accept Assignment**

Although most practices are subject to the mandatory claim filing requirement unless they meet one of the few exceptions, it is illegal to charge a Medicare beneficiary for completing or submitting claims on their behalf, Robbins reminded practices during the call.

In addition, she added, the requirement to submit Medicare claims on behalf of your patients does not mean physicians or providers must accept assignment. "Accepting assignment means requesting payment directly from the Medicare program," she said. "Under assignment, the approved charge, determined by the MAC, will be the full charge for the service or item covered by Medicare. The provider may not collect from the beneficiary or any person or organization for covered services more than the applicable deductible and coinsurance or copayment."

#### **Get the Basics of Reimbursement**

Medicare payment "is contingent upon a determination that a service or item meets a benefit category, is not specifically excluded from coverage, and is reasonable and necessary," Robbins said.

When you're reviewing the Medicare Physician Fee Schedule, you'll see that the payment amounts are comprised of three numbers: relative value units (RVUs) that are established for physician work, practice expense and malpractice; geographic practice cost index (GPCI), which is established to adjust each RVU component geographically; and a conversion factor, which is a national number established by a formula that has been put in place by Congress and CMS.

"Medicare reimbursement is not a one size fits all formula, and can be affected by numerous provider type specific factors, policies and systems," Robbins said.

"Providers should use the provider center pages on the CMS website to get more comprehensive information on policies and programs impacting reimbursement."

For instance, skilled nursing facility consolidated billing is one factor that can impact billing, since it requires the SNF to bill for the entire package of care during a SNF stay. Another would be incident to billing, which allows non-physician practitioners to bill as if they were physicians under some circumstances.

#### **Get Your Coverage Decisions Straight**

If you've ignored the alphabet soup of LCDs versus NCDs thus far, it's time to face the fact that these can have different information on them, and you will probably have to check both for a particular service before you bill.

"The vast majority of coverage is provided on a local level and developed by clinicians at the contractors that pay Medicare claims in the form of local coverage determinations, or LCDs," Robbins said. "However, in certain cases, Medicare deems it appropriate to develop a national coverage decision, or NCD, for an item or service to be applied on a

national basis for all Medicare beneficiaries meeting the criteria for coverage."

An NCD is a national policy that stems from evidence based determination that a particular item or service is reasonable and necessary. It may be requested by the public or internally generated by CMS and has opportunities for public participation. In some cases, CMS's own research is supplemented by an outside technology assessment and/or consultation with the Medicare evidence development and coverage advisory committee (MEDCAC).

Medicare contractors develop LCDs for their jurisdictions when there is no NCD or when there is a need to further define an NCD. A local policy may consist of two separate documents, the LCD and an associated document. At the end of an LCD that has an associated article, there is a link to the related article and vice versa. All providers should be knowledgeable about Medicare coverage prior to providing services or items to a Medicare beneficiary.

**Resource:** The searchable Medicare Coverage Database contains all NCDs, LCDs, proposed NCD decisions, national coverage analyses, coding analyses for labs, local articles, MEDCAC proceedings, technology assessments and Medicare coverage guidance documents, Robbins added. You can access it at [www.cms.hhs.gov/mcd](http://www.cms.hhs.gov/mcd).