

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF CLINICAL LABORATORY
SERVICES CONNECTICUT MEDICAID
PROGRAM**



JUNE GIBBS BROWN
Inspector General

JUNE 1996
A-01-95-00006



JUN 04 1996

Office of Audit Services
Region 1
John F. Kennedy Federal Building
Boston, MA 02203
(617) 565-2684

CIN: A-01-95-00006

Joyce Thomas, Commissioner
State of Connecticut
Department of Social Services
25 Sigourney Street
Hartford, Connecticut 06106

Dear Ms. Thomas:

This report presents the results of our review of the Connecticut Department of Social Services' (State Agency's) reimbursements for clinical laboratory services under the Medicaid program. The objective of our review was to determine the adequacy of procedures and controls over the processing of Medicaid payments to providers for clinical laboratory services. Our review was limited to clinical laboratory services involving chemistry, hematology and urinalysis tests.

Our review disclosed that the State agency informed Medicaid providers of the requirements for claiming reimbursement of clinical laboratory tests and reviewed reimbursement of Medicaid services, including clinical laboratory tests, made to selected providers on a post payment basis. However, the State agency did not have adequate edits in its claims processing system to ensure that all reimbursement for clinical laboratory tests under Medicaid did not exceed amounts recognized by the Medicare program, as required by Section 6300 of the State Medicaid Manual. In this regard, Medicare regulations provide that claims for laboratory services in which a provider bills separately for tests that are available as part of an automated multichannel chemistry panel, should be paid at the lesser amount for the panel. Specifically, we found that providers received excess reimbursements for automated multichannel chemistry tests that should have been grouped (bundled into a panel) for payment at a lower rate. In addition, the State agency's claim payment system did not have adequate edits to detect and prevent payment of duplicate or multiple units of the same hematology or urinalysis tests.

We statistically selected 150 instances involving claims with potential payment errors from a population of calendar years (CY) 1993 and 1994 paid claims valued at \$2,237,391. We found that 124 of the 150 sampled instances were potentially overpaid. Each of the 124 instances represents a payment error in which the State agency paid a provider for clinical laboratory tests on behalf of the same recipient on the same date of service. The payment errors consisted of individual tests that were billed separately instead of as part of a lower cost group and tests that were duplicative of each other. The State agency had already identified and recovered overpayments

related to 29 of the 124 instances of potential error. As a result, we projected only the remaining 95 errors from our statistical sample over the sample population using standard statistical methods. We estimate that the State agency overpaid providers \$427,068 (Federal share \$213,534) for chemistry, hematology and urinalysis tests.

We are recommending that the State agency (1) install necessary controls and edits to detect and prevent payment for unbundled and/or duplicative laboratory services; (2) take appropriate action to recover overpayments caused by unbundled or duplicative clinical laboratory services that have not been previously identified; and (3) make adjustments for the Federal share of the amounts recovered by the State agency on its Quarterly Report of Expenditures to the Health Care Financing Administration (HCFA). In response to our draft report, the State agency agreed with our recommendations (see APPENDIX C).

INTRODUCTION

BACKGROUND

Medicaid is a Federally aided, state program which provides medical assistance to certain individuals and families with low incomes and resources. Within broad Federal guidelines, states design and administer the Medicaid program under the general oversight of HCFA. Medicaid, as established under Title XIX of the Social Security Act, requires states to provide certain medical and other services such as outpatient clinical laboratory tests. Laboratory tests are performed by providers on a patient's specimen to help physicians' diagnose and treat ailments. The testing may be performed in a physicians office, a hospital laboratory or by an independent laboratory. These providers submit claims for laboratory services performed on Medicaid recipients. Claims processing is the responsibility of a designated Medicaid agency in each state. In Connecticut, the Department of Social Services is responsible for administering the Medicaid program. The State agency has contracted with Electronic Data Processing Services, Inc. to process medical service claims for reimbursement under the Medicaid program in Connecticut.

The State Medicaid Manual states that Federal matching funds will not be available to the extent a state pays more for outpatient clinical laboratory tests performed by a physician, independent laboratory or hospital than the amount Medicare recognizes for such tests. Under Medicare, clinical laboratory services are reimbursed at the lower of the fee schedule amount or the actual charge. Under Medicare, the carrier (the contractor that administers Medicare payments to physicians and independent laboratories) maintains the fee schedule and provides the fee schedule to the state Medicaid agency in its locality. The Travelers Insurance Company is the Medicare Carrier for the State of Connecticut. Guidelines for the

processing of provider claims including the bundling of automated multichannel chemistry tests are contained in HCFA's Medicare Carriers Manual.

Chemistry tests involve the measurement of various chemical levels in the blood. Chemistry tests frequently performed on automated equipment are grouped together and reimbursed at a panel rate. Chemistry tests are also combined under problem-oriented classifications (referred to as organ panels). Organ panels were developed for coding purposes and are to be used when all of the component tests are performed. Many of the component tests of organ panels are also chemistry panel tests. According to HCFA instructions, when an organ panel, such as 80058 (hepatic function panel which contains all chemistry panel tests), is billed along with one or more automated panel tests, the tests must be regrouped and reimbursed based on the total number of automated panel tests.

Hematology tests are performed to count and measure blood cells and their content. Hematology tests that are grouped and performed on an automated basis are classified as profiles. Automated profiles include hematology component tests such as hematocrit, hemoglobin, red and white blood cell counts, platelet count, differential white blood cell counts and a number of additional indices. Indices are measurements and ratios calculated from the results of hematology tests. Examples of indices are red blood cell width, red blood cell volume and platelet volume.

Urinalysis tests involve physical, chemical or microscopic analysis or examination of urine. Urinalysis tests involve the measurement of certain components of the sample. A urinalysis may be ordered by the physician as a complete test which includes microscopy, a urinalysis without the microscopy or the microscopy only. A duplicate payment would occur when a complete urinalysis with microscopic exam (81000) and a separate urinalysis test (81002, 81003 or 81015) are both present on the claim. The separate urinalysis test is considered a duplicate payment.

SCOPE

Our review was conducted in accordance with generally accepted government auditing standards. The objective of our review was to determine the adequacy of procedures and controls over the processing of Medicaid payments to providers for clinical laboratory services. Our review was limited to clinical laboratory services involving chemistry, hematology and urinalysis tests.

To accomplish our objective, we:

- o reviewed State agency policies and procedures for processing Medicaid claims from providers for clinical laboratory services;

- o extracted from the State agency's CY 1993 and 1994 paid claim files, payments totaling \$9,404,882 for chemistry, hematology and urinalysis tests. Of this amount, \$2,237,391 represented instances involving claims that contain potentially unbundled or duplicate charges for chemistry, hematology and urinalysis tests. We tested the reliability of computer generated output by comparing data to source documents for our sampled items. We did not, however, assess the completeness of data in the State agency's files nor did we evaluate the adequacy of the input controls;
- o selected a statistical random sample of 50 instances of potential overpayments involving chemistry claims from a population of 55,116 instances containing chemistry tests valued at \$1,703,666; 50 instances of potential overpayments involving hematology claims from a population of 22,364 instances containing hematology tests valued at \$396,388 and 50 instances of potential overpayments involving urinalysis claims from a population of 13,494 instances containing urinalysis tests valued at \$137,337. These instances of potential overpayment were identified from a population of payments involving claims for more than one panel test, more than one panel or for a panel and individual tests for the same beneficiary on the same date of service by the same provider;
- o reviewed the randomly selected instances and supporting documentation from the State agency to determine the propriety of the payment; and
- o utilized a variable sample appraisal methodology to estimate the amount of potential overpayment for chemistry, hematology and urinalysis tests.

Our review of internal controls was limited to an evaluation of that part of the claims processing function that related to the processing of claims for clinical laboratory services. Specifically, we reviewed State agency policies and procedures and instructions to providers related to the billing of clinical laboratory services. We limited our review to claims paid by the State agency during the period January 1993 through December 1994. Details of the methodology used in selecting and appraising the sample are contained in APPENDIX A to this report. The chemistry, hematology and urinalysis tests which were a part of the scope of our review are listed in the Physicians' Current Procedural Terminology (CPT) manual and contained in APPENDIX B.

We found that the items tested were in compliance with applicable laws and regulations except for the matters discussed in the FINDINGS AND RECOMMENDATIONS section of this report. We performed our review between July and November 1995 at the State agency's main office in Hartford, Connecticut.

FINDINGS AND RECOMMENDATIONS

Our review disclosed that the State agency informed Medicaid providers of the requirements for claiming reimbursement of clinical laboratory tests. The State agency also had procedures to review reimbursement of Medicaid services, including clinical laboratory tests, to selected providers on a post payment basis. However, the State agency did not have adequate edits in its claims processing system to ensure that all reimbursement for clinical laboratory tests under Medicaid did not exceed amounts recognized by the Medicare program. Specifically, we found that providers received excess reimbursement for chemistry tests that should have been bundled into a panel for payment at a lower panel rate. In addition, the State agency did not have adequate procedures or controls to detect and prevent payment of hematology and urinalysis tests from being claimed more than once.

The State Medicaid Manual, Section 6300.1, states that Federal matching funds will not be available to the extent a state pays more for outpatient clinical laboratory tests performed by a physician, independent laboratory or hospital than the amount Medicare recognizes for such tests. In addition, Section 6300.2 states that payment for clinical laboratory tests under the Medicaid program cannot exceed the amount recognized by the Medicare program.

Our review focused on identifying a population of potential overpayments resulting from claims containing unbundled or duplicative tests. Our sample review was performed to confirm that each instance of potential overpayment existed in the population that we developed. In this regard, we did not consider as overpayments, those unbundled or duplicative tests that were permitted by certain locally adopted policies, that were subsequently adjusted to reflect recovery, or that were otherwise determined to be allowable.

We randomly selected 150 instances (50 instances each for claims involving chemistry panel tests, hematology tests and urinalysis tests) valued at \$2,772 from the sample population of CY 1993 and 1994 paid claims valued at \$2,237,391 (See APPENDICES A and B). In 23 of the 150 instances, the State agency adopted a policy (the effective dates discussed on page 7) to exclude the bundling of less than three chemistry tests and certain other chemistry tests adopted by the Medicare carrier. In addition, payment involved in 3 other instances were otherwise determined to be appropriate. Accordingly, this reduced the number of potential instances of overpayment in our sample to 124.

Further review showed that the State agency made periodic post payment reviews of selected providers to determine if Medicaid payments for various medical services, including clinical laboratory services, were appropriate. These reviews included the selection of a statistical sample of claims for specific periods of time that overlapped the scope of our review. The errors identified in these reviews were projected for each provider over the total payments made to the provider for the period reviewed. Recoveries were either made through lump sum payments by the provider or credits against subsequent claims for services. Of the 124 instances containing potential overpayments that we reviewed, the State agency had identified and recovered overpayments for 29 of the errors during post payment reviews. As a result, we are considering these claims as zero errors for the statistical projection of our sample, leaving a total of 95 instances of potential overpayment that have not yet been recovered.

Projecting the results for the remaining 95 instances of potential overpayment from our statistical sample over the population using standard statistical methods, we estimate that the State agency potentially overpaid providers \$427,068 (Federal share \$213,534) for chemistry, hematology and urinalysis tests during the two year period ended December 1994.

Chemistry Panel Tests

Our review disclosed that 24 of the 50 sampled instances contained overpayments for unbundled charges for chemistry panel tests. While the State agency had procedures in place to review the appropriateness of payments made on a portion of these claims, the State agency's claims processing system did not have adequate edits to ensure unbundled and/or duplicative tests were precluded from being overpaid. The 50 instances were selected on a random scientific basis from a population of 55,116 instances involving claims containing potentially unbundled chemistry panel tests valued at \$1,703,666. The State agency identified and recovered the overpayment amounts for 10 of the 24 errors during its periodic post payment reviews. As a result, we are considering these 10 claims as zero errors for statistical sample projection purposes. Based on the remaining 14 errors, we estimate that the State agency potentially overpaid providers \$274,257 (\$137,128 Federal share) for unbundled or duplicated chemistry panel tests.

Section 5114.1.L.2 of the Medicare Carriers Manual states that if the carrier receives claims for laboratory services in which the provider has separately billed for tests that are available as part of an automated battery test, and, in the carriers judgement, such battery tests are frequently performed and available for provider use, the carrier should make payment at the lesser amount for the battery. The limitation that payment for individual tests not exceed the payment allowance for the battery is applied whether a particular provider has or does not have the automated equipment.

We noted that the State agency issued instructions to all Medicaid providers informing them of the HCFA payment limitations for automated laboratory services. However, in many cases, providers still billed for individual tests that should have been grouped and billed under chemistry panel procedure codes. For such cases, we found that the State agency inappropriately reimbursed the providers for the individual tests because the prepayment edit system did not have edits to identify and prevent payment of all situations for which unbundled tests were billed.

With respect to the 26 instances found not to have payment errors, we found that the Medicare Carrier for the State of Connecticut, has not required certain chemistry panel claims to be bundled. Through December 1993, the Carrier allowed reimbursement to providers when two individual chemistry panel tests were billed separately. Beginning in January 1994, the Carrier required providers to bundle such claim situations and bill under procedure code 80002. In addition, the Carrier did not include the following chemistry panel tests as part of the required tests to be bundled: Creatine phosphokinase, Glutamyltransferase (gamma) and Triglycerides.

For the above two claim situations, HCFA regulations did not mandate that the affected billings should be bundled as multichannel tests. Instead, HCFA allowed the Medicare carriers to decide whether to adopt such a policy. We also noted that the State agency excluded these claim situations as chemistry panel tests that were required to be bundled. Of the 26 instances found not to be in error, our review identified 23 claims that fall within the above described situations. Payment on the remaining 3 claims were otherwise determined to be appropriate. For purposes of our review, we have considered these 26 instances as zero errors for our projection purposes.

Hematology Profiles

Our review of 50 hematology instances disclosed that all 50 instances contained potential overpayments. These 50 instances were selected on a scientific random basis from a population of 22,364 instances involving claims containing hematology tests valued at \$396,388. The State agency identified and recovered overpayment amounts for 3 of the 50 errors during post payment reviews. We considered these three instances to be zero errors for projection purposes and extrapolated our results based on the remaining 47 instances. Based on our statistical sample, we estimate that the State agency overpaid providers \$109,870 (\$54,935 Federal share) for potentially duplicate hematology charges.

We found that 40 of the 47 potential overpayments we identified included charges for a profile (procedure codes 85023, 85024 or 85025) and a charge for additional indices (procedure codes 85029 and/or 85030) billed for the same patient, on the same day by a single provider. While the description of hematology profiles

contained in the CPT manual indicates that the profiles include indices, the specific indices that are normally produced under each profile are not listed. Likewise, the CPT manual does not identify indices contained in the procedure codes for additional indices (85029/85030), however, examples are provided. While all indices are produced at the same time that the profile is performed, separate reimbursement of the examples described under additional indices should be based on a physician order for the additional indices.

Our concern is that the use of these procedure codes may not be based on a physician order for at least the examples given for additional indices. Our concern stems from the fact that, for the audit period reviewed, only 4 hospitals account for 99 percent of the State's Medicaid billing for these codes under the hospital outpatient category. Likewise, only 4 independent or physician laboratories account for over 95 percent of the State's Medicaid billings for these codes in that category. We believe the medical necessity and ordering of such tests would not be confined to so few providers. Accordingly, we believe that billing the combination of hematology profiles and additional indices on the same day for the same beneficiary reflects a potential overpayment that should continue to be subject to review. State agency officials generally agreed that the billing for additional indices by so few providers warrants review of the reimbursements for these additional indices.

The State Medicaid Manual provides that payment for clinical laboratory tests under the Medicaid program cannot exceed the amount recognized by the Medicare program. For overpayments and duplicate bills, Section 7103 of the Medicare Carriers Manual states that a provider is liable for overpayments it receives. In addition, Section 7103.1 B states that the provider is liable in situations when the error is due to overlapping or duplicate bills.

Based on the clinical definitions of hematology profiles and indices, it is our opinion that the 47 claims found to be in error should not have been paid separately, but instead, reimbursed under the appropriate hematology profile procedure code.

Urinalysis

Our review of 50 randomly selected urinalysis instances disclosed that all 50 instances contained duplicate services. The 50 instances were selected on a scientific random basis from a population of 13,494 instances involving claims containing urinalysis tests valued at \$137,337. We found that the State agency had identified and recovered overpayments for 16 of the instances included in our sample. We treated these 16 instances as zero errors and extrapolated our results based on the remaining 34 instances. Based on our statistical sample, we estimate that the State agency overpaid providers \$42,941 (\$21,470 Federal share) for unbundled or duplicate urinalysis tests.

A complete urinalysis includes testing for components and a microscopic examination. Providers can perform and bill different levels of urinalysis testing. In this regard, they can perform a urinalysis with microscopic examination (procedure code 81000), a urinalysis without microscopic examination (procedure code 81002) or a microscopic examination only (procedure code 81015). Based on the tests performed and billed, unbundling or duplication of billings can occur among these tests. Specifically, Section 5114.1 F of the Medicare Carriers Manual states that:

"If 81002 and 81015 are both billed, pay as though the combined service (81000) had been billed."

Based on the above criteria, it is our opinion that the 34 claims found in error should not have been paid separately but, instead bundled and paid under procedure code 81000.

RECOMMENDATIONS

We recommend that the State agency:

- (1) install necessary controls or edits to detect bundling errors and billings which contain duplicative tests.
- (2) take appropriate action to recover overpayments caused by unbundled or duplicative clinical laboratory services that have not been previously identified. Based on our audit, we estimate that \$427,068 (\$213,534 Federal share) should be recovered for CYs 1993 and 1994.
- (3) make adjustments for the Federal share of amounts recovered by the State agency on its Quarterly Report of Expenditures to HCFA.

State Agency Response

In its written response to our draft report (see APPENDIX C), the State agency agreed with our recommendations, indicating that it:

- "* ...will develop claims edits...to detect potential billing errors.
- * ...has initiated a review on claims involving hematology profiles based on medical necessity and physicians ordering the tests.
- * ...will credit the Federal share on our quarterly reports to HCFA."

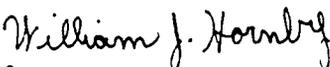
- - - - -

Page 10 - Joyce Thomas, Commissioner

Final determinations as to actions to be taken on all matters reported will be made by the HHS action official identified below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination.

In accordance with the principles of the Freedom of Information Act (Public Law 90-23), Office of Inspector General, Office of Audit Services reports issued to the Department's grantees and contractors are made available, if requested, to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise (See 45 Code of Federal Regulations Part 5).

Sincerely yours,


for Richard J. Ogden
Regional Inspector General
for Audit Services

Appendices - as stated

Direct Reply to HHS Action Official:

Ronald P. Preston
Associate Regional Administrator
for Medicaid
Health Care Financing Administration
Room 2350, JFK Federal Building
Boston, Massachusetts 02203

APPENDICES

SAMPLE METHODOLOGY

From the State agency's paid claims file for calendar years (CY) 1993 and 1994, we utilized computer applications to extract all claims containing:

1. chemistry panels and panel tests for chemistry procedure codes listed in the Physician's Current Procedural Terminology (CPT) manual. (See APPENDIX B)
2. hematology profiles and component tests normally included as part of a hematology profile for hematology procedure codes listed in the CPT manual. (See APPENDIX B)
3. urinalysis and component tests listed in the CPT manual. (See APPENDIX B)

We then performed computer applications to extract all records for the same individual for the same date of service with HCFA's Common Procedure Coding System (HCPCS) line item charges for:

1. more than one different chemistry panel; a chemistry panel and at least one individual panel tests; or two or more panel tests;
2. more than one automated hematology profile under different profile codes; more than one unit of the same profile; a component normally included as part of a profile in addition to the profile; or hematology indices and a profile; and
3. a complete urinalysis test and microscopy, a urinalysis without microscopy, or a microscopy only.

This extract resulted in a sample population totaling \$2,237,391 consisting of three strata. The first strata consisted of 55,116 instances totaling \$1,703,666 for potentially unbundled chemistry panel tests. The second strata consisted of 22,364 instances totaling \$396,388 for potentially duplicate hematology profile tests. The third strata resulted in 13,494 instances totaling \$137,337 for urinalysis tests with potentially unbundled or duplicate tests. Each instance is a potential payment error in which the State agency paid providers for clinical laboratory tests (on behalf of the same recipient on the same date of service) which were billed individually instead of as part of a group, or were duplicative of each other.

On a scientific stratified selection basis, we examined 150 instances involving claims from three strata. The first stratum consisted of a randomly generated statistical sample of 50 potentially unbundled instances involving chemistry panel tests totaling \$1,386. The second stratum consisted of a randomly generated statistical sample of 50 potentially duplicate instances involving hematology profile or profile component tests totaling \$862. The third stratum consisted of a randomly generated statistical sample of 50 potentially duplicate instances involving urinalysis examinations totaling \$524.

For the sample items, we requested and reviewed supporting documentation from the State agency consisting of copies of physician, hospital or independent laboratory claims and related paid claims history.

We utilized a standard scientific estimation process to quantify potential overpayments for unbundled chemistry panel tests, duplicate hematology profile tests and unbundled or duplicate urinalysis tests as shown in the schedule below.

<u>Stratum</u>	<u>Number of items</u>	<u>Number Sampled</u>	<u>Examined Value</u>	<u>Number Unresolved</u>	<u>Error in Sample</u>	<u>Estimated Recovery</u>
Chemistry Tests	55,116	50	\$1,386	14	\$249	\$274,257
Hematology Tests	22,364	50	862	47	245	109,870
Urinalysis Tests	<u>13,494</u>	<u>50</u>	<u>524</u>	<u>34</u>	<u>159</u>	<u>42,941</u>
Totals	<u>90,974</u>	<u>150</u>	<u>\$2,772</u>	<u>95</u>	<u>\$653</u>	<u>\$427,068</u>

The results of the scientific sample of Stratum 1, chemistry tests, disclosed that 14 of 50 instances we reviewed represented potential overpayments for unbundled chemistry panel tests. Projecting the results of the statistical sample over the population using standard statistical methods, we estimate that \$274,257 paid for unbundled chemistry panel tests can be recovered. At the 90 percent confidence level, the precision of this estimate is plus or minus 56.71 percent.

The results of the scientific sample of Stratum 2, hematology tests, disclosed that 47 of the 50 instances we reviewed contained duplicate payments for hematology profiles and profile component tests. Projecting the results of the statistical sample over the population using standard statistical methods, we estimate that \$109,870 in duplicate payments for hematology profile tests can be recovered. At the 90 percent confidence level, the precision of this estimate is plus or minus 6.18 percent.

The results of the scientific sample of Stratum 3, urinalysis tests, disclosed that 34 of the 50 instances we reviewed represented overpayments for unbundled and duplicate urinalysis tests. Projecting the results of the statistical sample over the population using standard statistical methods, we estimate that \$42,941 in duplicate payments for urinalysis tests can be recovered. At the 90 percent confidence level, the precision of this estimate is plus or minus 20.73 percent.

The combined results for the three strata disclosed that 95 of the 150 instances we reviewed represented overpayments for unbundled and duplicate chemistry, hematology and urinalysis tests. Projecting the results of the statistical sample over the population using standard statistical methods, we estimate that a total of \$427,068 paid for unbundled and duplicate tests can be recovered. At the 90 percent confidence level, the precision of this estimate is plus or minus 35.82 percent.

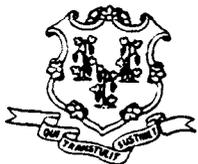
PHYSICIANS' CURRENT PROCEDURAL TERMINOLOGY MANUAL CODES

<u>Chemistry Panel CPT Code Description</u>	<u>CPT Codes</u>
1 or 2 clinical chemistry automated multichannel test(s)	80002
3 clinical chemistry automated multichannel tests	80003
4 clinical chemistry automated multichannel tests	80004
5 clinical chemistry automated multichannel tests	80005
6 clinical chemistry automated multichannel tests	80006
7 clinical chemistry automated multichannel tests	80007
8 clinical chemistry automated multichannel tests	80008
9 clinical chemistry automated multichannel tests	80009
10 clinical chemistry automated multichannel tests	80010
11 clinical chemistry automated multichannel tests	80011
12 clinical chemistry automated multichannel tests	80012
13-16 clinical chemistry automated multichannel tests	80016
17-18 clinical chemistry automated multichannel tests	80018
19 or more clinical chemistry automated multichannel tests	80019
General Health Panel	80050
Hepatic Function Panel	80058

<u>Chemistry Panel Test CPT Code Description</u>	<u>CPT Codes</u>
<u>Subject to Panelling (34 CPT Codes)</u>	
Albumin	82040
Albumin/globulin ratio	84170
Bilirubin Total OR Direct	82250
Bilirubin Total AND Direct	82251
Calcium	82310, 82315, 82320, 82325
Carbon Dioxide Content	82374
Chlorides	82435
Cholesterol	82465
Creatinine	82565
Globulin	82942
Glucose	82947
Lactic Dehydrogenase (LDH)	83610, 83615, 83620, 83624
Alkaline Phosphatase	84075
Phosphorus	84100
Potassium	84132
Total Protein	84155, 84160
Sodium	84295
Transaminase (SGOT)	84450, 84455
Transaminase (SGPT)	84460, 84465
Blood Urea Nitrogen (BUN)	84520
Uric Acid	84550
Triglycerides	84478
Creatinine Phosphokinase (CPK)	82550, 82555
Glutamyltransferase, gamma (GGT)	82977

PHYSICIANS' CURRENT PROCEDURAL TERMINOLOGY MANUAL CODES

<u>Hematology Component Test CPT Code Description</u>	<u>CPT Codes</u>
Red Blood Cell Count (RBC) only	85041
White Blood Cell Count (WBC) only	85048
Hemoglobin, Colorimetric (Hgb)	85018
Hematocrit (Hct)	85014
Manual Differential WBC count	85007
Platelet Count (Electronic Technique)	85595
 <u>Additional Hematology Component Tests - Indices</u>	 <u>CPT Codes</u>
Automated Hemogram Indices (one to three)	85029
Automated Hemogram Indices (four or more)	85030
 <u>Hematology Profile CPT Code Description</u>	 <u>CPT Codes</u>
Hemogram (RBC, WBC, Hgb, Hct and Indices)	85021
Hemogram and Manual Differential	85022
Hemogram and Platelet and Manual Differential	85023
Hemogram and Platelet and Partial Automated Differential	85024
Hemogram and Platelet and Complete Automated Differential	85025
Hemogram and Platelet	85027
 <u>Urinalysis and Component Test CPT Code Description</u>	 <u>CPT Codes</u>
Urinalysis	81000
Urinalysis without microscopy	81002, 81003
Urinalysis microscopic only	81015



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

JOYCE A. THOMAS
COMMISSIONER

TELEPHONE
(860) 424-5008

TDD/TTY
1-800-842-4524

FAX
(860) 424-5129

May 23, 1996

Richard J. Ogden, Regional Inspector General
Office of Inspector General
Department of Health & Human Services
Region 1 - John F. Kennedy Federal Bldg.
Boston, MA 02203

RE: A-01-95-00006

Dear Mr. Ogden:

Thank you for the opportunity to review the revised draft of the Review of Clinical Laboratory Services, Connecticut Medicaid Program, and also to discuss it in detail at the April 29 exit conference.

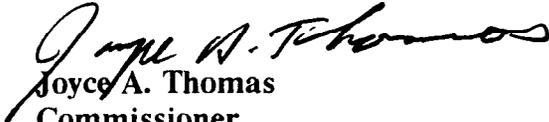
With regards to the recommendations contained in the report:

- ~ The Department will develop claims edits in the new AIM system to detect potential billing errors.**
- ~ The Department has initiated a review on claims involving hematology profiles based on medical necessity and physicians ordering the tests.**
- ~ As in the case of all recoupments, we will credit the federal share on our quarterly reports to HCFA.**

Mr. Richard J. Ogden
Page 2
May 23, 1996

Any further questions or comments may be directed to David Parrella, Director of Medical Administration Policy at (860) 424-6116.

Sincerely,


Joyce A. Thomas
Commissioner

JT:jwr

cc: Deputy Commissioner M. Starkowski
R. Inzero
D. Parrella
C. Peterson
J. Wietrak