

# Cleveland Clinic Laboratories

## TC Billing Grandfather Clause Expiration

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### **What has happened?**

Earlier this year Congress voted to discontinue a Medicare exception that permitted independent laboratories to bill Medicare directly for the technical component of pathology services rendered for inpatients and outpatients of “grandfathered” hospitals. The exception had been in place since 1999 and expired on June 30, 2012.

As a result, Cleveland Clinic Laboratories is no longer permitted to bill Medicare directly for the technical component of pathology services paid on the Medicare physician fee schedule.

### **Why?**

Medicare reimbursement to hospitals for all registered inpatient and outpatient services (including laboratory) is considered fully reimbursed under existing prospective payment systems (DRG-diagnosis related group, and APC-ambulatory payment classification, respectively).

### **How will this change my bill?**

In order to comply with this new billing requirement, the Cleveland Clinic Laboratories will now bill the technical portion of these services back to the referring client effective for dates of service on or after July 1, 2012.

### **Which patient settings are included?**

Medicare and Medicare Advantage patients that are registered inpatient or outpatient.

### **What spectrum of tests is affected by this change?**

Any test with a technical and professional component on the Medicare physician fee schedule, including but not limited to anatomic pathology, flow cytometry, professionally interpreted molecular and clinical pathology tests).

### **Will the lab continue to bill professional component directly to Medicare?**

Yes.

### **Will the lab begin client billing technical component for payors other than Medicare and Medicare Advantage?**

No, we will continue to bill third party for technical component for all other payors.

### **In cases where multiple parties are involved, who will be client billed for the technical component services?**

The party sending the specimen will receive the bill. Alternative arrangements (eg for pathology groups contracted with hospitals) will be considered upon request in advance.

### **How much will I be charged for the client billed services?**

To receive additional information about pricing or if you have questions about your bill, contact your sales representative or call Client Services at 800-628-6816.