

# ELABORATIONS

News and Issues for Washington's Clinical Laboratories

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## Medicaid Laboratory Test Billing Meeting

by Maryann Counts, Clinical Laboratory Advisory Council

Two-thirds or more of billed claims from laboratories are denied because of avoidable errors. The Clinical Laboratory Advisory Council and representatives from the laboratory community recently met with state officials to determine the most common errors in the billing process. They found that six common problems make laboratories among the most error-prone of all providers.

The Advisory Council has had a close working relationship with the Health and Recovery Services Administration (HRSA) of the Washington State Department of Social and Health Services (DSHS) for a number of years. The Advisory Council acts as a resource for HRSA when questions arise about clinical laboratory testing and/or reimbursement.

DSHS staff noticed that laboratories are frequently on the top ten list of providers with the highest denials. In order to understand the problem, HRSA contacted the Advisory Council for assistance. The result was a meeting held on July 10 between representatives of the clinical laboratory community and HRSA staff. Representatives from the laboratory community throughout Washington were in attendance. The following is a brief summary of that meeting. The meeting was facilitated by Jeff Thompson, MD, HRSA Medical Director.

**Background:** The main objective of the meeting was to gain a better understanding of DSHS and the clinical laboratory business needs and processes. Data discussed focused on the top 10 list of denied claims for laboratories.

Since laboratories are frequently 4<sup>th</sup> or 5<sup>th</sup> of the top ten providers with the highest denials, DSHS wanted to learn why this is so and to learn how laboratories and DSHS can work together more efficiently to reduce the denial rate. Typically, two-thirds to three-quarters of billed claims from laboratories are denied.

**General Discussion:** Laboratories commented that they are in business to provide laboratory services to the provider. Laboratory testing is completed prior to generating bills (private or insurance) for the tests performed. Billing for laboratory services largely relies on the accuracy of the billing information supplied to the laboratory on the test requisition by the ordering provider. Frequent problems with this information include:

1. Lack of a complete or accurate Patient Identification Code (PIC).
2. No check of client Medicaid eligibility.
3. Provider not currently contracted with HRSA.

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### Practice Guidelines

The following practice guidelines have been developed by the Clinical Laboratory Advisory Council. They can be accessed at the following website:  
[www.doh.wa.gov/lqa.htm](http://www.doh.wa.gov/lqa.htm)

Anemia	Lipid Screening
ANA	PAP Smear
Bioterrorism Event Mgmt	Point-of-Care Testing
Bleeding Disorders	PSA
Chlamydia	Rash Illness
Diabetes	Red Cell Transfusion
Group A Strep Pharyngitis	Renal Disease
Group B Streptococcus	STD
Hepatitis	Thyroid
HIV	Tuberculosis
Infectious Diarrhea	Urinalysis
Intestinal Parasites	Wellness

# Medicaid Lab Test Billing Meeting, continued from page 1

4. Confusion between managed care plan versus Fee for Service (FFS) eligibility.
5. Incorrect designation of primary insurance (private or Medicare) coverage.
6. Laboratory services not covered by Medicaid (Take Charge and Family Planning).

Medicaid clients may not present a Medicaid card or provide information about insurance eligibility status at the time of service. Therefore, the information provided to the laboratory on the test requisition is not always accurate. Laboratories indicated that they are frustrated and are not clear as to the Medicaid client's responsibility in providing the latest insurance and eligibility information.

Washington Administrative Code (WAC) 388-502.0160 places the Medicaid client at liability for payments. Signing an "agreement to pay form" for non-covered services will allow laboratories to bill the client for non-covered services.

Most laboratories felt that this issue is largely due to Family Planning and Take Charge clients with confusion in benefits and coverage. An example of this issue is PAP Smear and Human papillomavirus (HPV) testing ordered at the clinic without a good understanding of covered and non-covered services. Representatives from the Family

Planning division gave a presentation of services they provide.

The top reasons for Medicaid laboratory test claim denials were discussed including denial codes: 011 (client not eligible), 841(auto/non-auto lab), 538 (multiple services must be billed on separate lines), 808 (duplicate denials), and 564 (non-covered services).

Prior Authorizations (PA) for laboratory testing were also discussed. PA is required for some laboratory tests that have specific Current Procedural Terminology (CPT) codes. Cystic fibrosis testing is an example of testing that requires PA. The testing is ordered by a provider, but will not be paid unless a PA is received by the laboratory.

**Next Steps:** The next DSHS – Laboratory meeting is scheduled for September. Prior to the September meeting, the following assignments were made.

Laboratories representatives attending the meeting are to:

- Compile a list of the top 10 clinics that have frequent issues with Family Planning services.
- Compile a list of the top 10 clinics/providers with issues by type and frequency.

DSHS representatives are to:

- Consider drafting a letter to send to laboratories that could be sent to providers stating non-covered processes.
- Activity train on problematic issues.
- Review covered /non-covered laboratory tests and evaluate the possibility of policy changes.
- Address processes to communicate when and how clients may be billed for services.
- Consider developing a clear website explanation of covered and non-covered services.

Information from subsequent meetings will be published in Elaborations.

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NOTE: Letters to the editor may be published unless specified otherwise by the author.

**Website addresses:**

**DOH home page:** <http://www.doh.wa.gov>  
**LQA home page:** <http://www.doh.wa.gov/lqa.htm>  
**PHL home page:** <http://www.doh.wa.gov/EHSPHL/PHL/default.htm>

## 14th Annual Clinical Laboratory Conference

**November 12, 2007**

**Doubletree Hotel at Sea-Tac International Airport**

Mark your calendars now and plan to attend! Conference flyers will be mailed in early September.

# A Real Diarrheal Dilemma?

by Laura Kentala, DOH/PHL Training Program

The increasing numbers of food-related diarrheal diseases can be overwhelming for the clinical laboratory. To prevent overordering, the best approach is for laboratories to establish guidelines for testing patients presenting with diarrheal symptoms. Using testing guidelines with a question and answer approach makes the process easier.

“Which tests to run?” “How many tests are required for each patient?” Even though the primary responsibility rests with the clinician to make a judgement about the patient’s health, these questions can aid the clinician in ordering tests:

1. How long has the patient had diarrhea? Is it greater than seven days or not?
2. Is there a suspect foodborne outbreak in the area?
3. Does the patient have an immune deficiency?
4. Has the patient had recent contact with farm animals?
5. Has the patient been backpacking or traveling outside the country?
6. Has the patient been in the hospital for more than three days before onset of diarrhea?

The answers to these questions could lead to six different tests when only one is actually needed. It is helpful to provide clinicians with guidance to help them determine the proper test to order for their patients. The following case studies with questions and answers can help work through the test selection process.

1. The patient has severe diarrhea with fever and blood in the stool.

**Q:** What tests are needed?

**A:** Culture for *Salmonella*, *Shigella*, *Campylobacter*, *E. coli* O157:H7.

**Q:** Should parasite or Giardia specific tests be added?

**A:** NO. Patients with intestinal parasites seldom run a fever.

2. The patient has been in the hospital for 8 days due to major surgery before onset of diarrhea.

**Q:** What tests are needed?

**A:** Test for *C. difficile* toxin; suspect a nosocomial outbreak.

**Q:** Should you add a parasite and enteric screen?

**A:** NO. There is no reason unless the patient has come in contact with a foodborne parasite or bacteria while in the hospital. If there is a nosocomial outbreak, test for that organism specifically.

3. The patient has had intermittent diarrhea for over a month. It has become severe over the last two days.

**Q:** What tests are needed?

**A:** Consider *Giardia*, *Cryptosporidium*, and *Cyclospora*; add *Microsporidium*, *Isospora belli* and *M. avium* complex if the patient is HIV positive.

**Q:** Should you add an enteric screen?

**A:** NO. Bacterial infection will rarely last for a month or longer in healthy people, but *Giardia* can continue for several months to a year.

4. Several patients presented with severe diarrhea; there is a known outbreak of *E. coli* O157:H7 in this area.

**Q:** What tests are needed?

**A:** Test for *E. coli* O157:H7. If the culture is negative, add other enteric organisms.

**Q:** Should you add a parasite screen?

**A:** NO. When an outbreak with a known bacterial agent is suspected, it is unlikely that other infections will be found. You are trying to identify all patients who have contracted the outbreak bacteria.

**Q:** When should you test for parasites?

**A:** If the enteric screen is negative and the diarrhea persists, then a parasite screen would be indicated.

5. A 4-year-old patient had watery diarrhea for 9 days, has not been out of the country, and there is no outbreak in the community.

**Q:** What tests are needed?

**A:** Test for *Giardia* antigen. If it is negative, add Rotavirus antigen, and enteric culture including *Campylobacter*, *C. difficile* toxin, and *Shigella* toxin. Negative results can lead to another line of testing.

6. The patient presents with diarrhea, vague abdominal complaints, and unexplained eosinophilia. She is a former resident of a developing country.

**Q:** What tests are needed?

**A:** Test for ova and parasites times 3. Ask for both macroscopic and microscopic exam of the stool.

**Q:** Should you add an enteric screen?

**A:** NO. Parasites will be shed for a long period even after the source has been removed.

7. The patient has diarrhea but does not fit any described conditions.

**Q:** What tests are needed?

**A:** Insure adequate current and distant history; consider non-parasitic causes such as lactose intolerance.

**Q:** Should you add a parasite and enteric screen?

**A:** YES, but remember food poisoning can be caused by *Staphylococcus* or *Bacillus cereus* in addition to the usual enteric organisms.

Where can you get further information regarding laboratory testing for diarrheal illnesses? The Washington State Clinical Laboratory Advisory Council has guidelines available on the internet that can be used for educational purposes and as a reference. Guidelines for infectious diarrheal illness and other related topics can be found on the Laboratory Quality Assurance Web site at [http://www.doh.wa.gov/hsqa/fsl/lqa\\_practice\\_guidelines.htm](http://www.doh.wa.gov/hsqa/fsl/lqa_practice_guidelines.htm)

## Basic Blood Cell Morphology Training Class

**COURSE DATE:** September 13, 2007. Registration begins at 8:00; class starts at 8:15 a.m. and ends at about 3:00 p.m.

**HOW TO REGISTER:** Complete the registration form and mail to the Department of Health, PHL Training Program, or fax to (206) 418-5445. A confirmation packet will be sent to you by mail. The packet will contain your registration confirmation, payment instructions and a map to the training location. Please do not send money with your registration form.

**COURSE CONTENT:** The lecture section of this one-day course will cover the following subjects: Maturation and cell function of red and white blood cells; Examination of red and white cell morphology using Kodachrome slides. In the laboratory section of this one-day course the following activities will be conducted: practice making adequate smears and hands-on microscopic examination of normal and abnormal blood differentials.

**WHO SHOULD ATTEND:** This basic course is designed for laboratory assistants, physicians assistants, nurses and other health care providers responsible for making and evaluating blood differential smears in physician offices.

**TUITION:** \$115.00 (Before September 6, 2007) \$125.00 (After September 6, 2007)

**CONTINUING EDUCATION UNITS:** Students will receive 0.6 CEUs for completion of this course. Applicants must plan to attend the entire workshop to receive CEUs. Accreditation provided through the State of California Department of Health Services, Office of Laboratory Field Services, 2151 Berkley Way- Annex 12, Berkley, California 94704-1011.

**LOCATION:** The course will be held at the Public Health Laboratories, 1610 NE 150th Street, Shoreline, Washington 98155. A map and driving directions will be sent to each registered student. All breaks, laboratory materials, manuals, and use of equipment are included. Students are responsible for their own transportation, meals, and lodging.

### REGISTRATION FORM: Basic Blood Cell Morphology Training Class

Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Employer Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Message Phone: \_\_\_\_\_

**HOW TO REGISTER:** Complete the registration form and mail to the **Department of Health Training Program, 1610 NE 150th Street, PO Box 550501, Shoreline, WA 98155-9701**, fax to **(206) 418-5445** or e-mail to **phl.training@doh.wa.gov** A registration form is available at our web site: **www.doh.wa.gov/ehsphl/phl/training/train.htm**. **DO NOT SEND MONEY WITH YOUR REGISTRATION FORM.**

## A Venipuncture Techniques Training Course

*Monday, September 10, 2007*

This course is designed for the health care worker who is new to blood drawing, or for anyone who wants a “refresher” and to learn the very latest in Venipuncture procedures and techniques. The course is taught by Sylvia Crawford, Registered Phlebotomist (ASCP).

Course objectives are to understand techniques for best vein selection; to perform a successful venipuncture; to exercise appropriate use of equipment; proper handling of blood specimens; and to understand biohazard safety techniques and OSHA regulations. The course is 6 hours in length and will be held at the Washington State Public Health Laboratories in Shoreline, WA. There will be 0.6 CEU credits awarded at the completion of this course.

Please register online at [www.seattlesthdhivptc.org](http://www.seattlesthdhivptc.org). The registration fee is \$150. If paying by check, please make it payable to **University of Washington** and send it to the Seattle STD/HIV Prevention Training Center at 901 Boren Ave, Suite 1100, Seattle, WA 98104. To pay by credit card, go to: [www.seattlesthdhivptc.org](http://www.seattlesthdhivptc.org) and download the Payment by Credit Card form, complete and fax it to (206) 221-4945, Attn: Ronnie Staats, before the August 27, 2007 registration deadline. **For more information or an application, please contact** Ronnie Staats at [rstaats@u.washington.edu](mailto:rstaats@u.washington.edu) or (206) 685-9848.

# Tips for Quality Waived Test Performance

by Kathy LaBeau, DOH/LQA

This article continues a series of tips for performing quality waived testing in your laboratory.

Waived tests are generally easy to perform, but problems do occur if you do not perform the test properly, read the manufacturer's package insert, or follow good laboratory practices when testing patient samples. These tips are designed to assist you in providing quality test results for your patients.

## Considerations when Adding New Waived Tests

### Who will be responsible and accountable for oversight?

The person named as Laboratory Director is ultimately responsible. They should show a commitment to quality and promote good laboratory practices with waived testing.

**What regulations apply to testing?** In Washington, the Medical Test Site regulations address waived testing. Sites performing only waived testing must obtain a certificate of waiver license. All sites must follow the manufacturer's instructions for performing waived tests. Other applicable regulations include: OSHA/WISHA regulations for employee safety; HIPAA regulations for patient confidentiality; individuals collecting blood samples who are not otherwise licensed (e.g., medical assistants, medical laboratory technicians and technologists), must obtain a Health Care Assistant (HCA) license.

**What are the physical and environmental requirements for testing?** These considerations are especially important for testing done in non-traditional settings (e.g., health fairs, home health, mobile, and point-of-care testing). Consider humidity, lighting and temperature of testing areas, and reagent storage. How will these be controlled and monitored?

**What are the costs and benefits of testing on-site?** Do you have sufficient workload to cover the costs of kits, reagents, quality control samples, staff training, and additional recordkeeping? How does this benefit the patient and the office work flow? Is there a requirement for supplementary testing (e.g., rapid HIV testing)?

**How will staff be trained and maintain their competency?** Consider your rate of staff turnover. Factor in the time and resources needed to train and evaluate the competency of testing personnel on an ongoing basis.

**What documentation will be needed?** How will you track patient testing and reporting as well as new lot numbers of kits, reagents, and quality control results?

## Considerations for Waived Test Specimens

- Waived tests are approved for use only with direct, unprocessed specimens that do not require operator manipulation. Specimens that require centrifugation, dilution, extraction, or other preparation steps are not appropriate for waived tests.
- Be sure that blood samples are collected in the correct anticoagulant (if applicable).
- If samples are not tested immediately, they should be held under conditions specified in the manufacturer's instructions (e.g., specimens for urinalysis should be refrigerated if not tested right away).
- For specimens collected on a swab (e.g., Strep antigen testing), assure that the correct type of swab is used for your test system. For some test kits, swabs with wooden shafts and cotton tips are unacceptable.
- A single product insert might include instructions for performing a waived test using whole blood and for performing the same test using plasma or serum, which would not be waived. A test for hCG (pregnancy test) may be considered waived if using urine, but not waived if performed on serum or plasma.

Other topics in this series that will appear in future issues of *Elaborations* include Getting Prepared to Perform Waived Testing, and Quality Control and Waived Tests.

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## Tips for Quality Waived Test Performance

This issue of Elaborations contains the latest in the series of tips for performing quality waived tests in your laboratory. The article on page 5 contains information on considerations when adding new waived tests and considerations for waived test systems.

The series of articles will continue in the next issue of the *Elaborations* newsletter.

### Calendar of Events

**PHL Training Classes:**  
(<http://www.doh.wa.gov/ehsphi/phl/training/train.htm>)

**Venipuncture** (register through UW -see page 4)

September 10      Shoreline

**Basic Blood Cell Morphology**

September 13      Shoreline

**Northwest Medical Laboratory Symposium**

October 24-27      Seattle

**14th Annual Clinical Laboratory Conference**

November 12      Seattle

**2008 WSSCLS/NWSSAMT Spring Meeting**

April 24-26, 2008      Lynnwood

Contact information for the events listed above can be found on page 2. The Calendar of Events is a list of upcoming conferences, deadlines, and other dates of interest to the clinical laboratory community. If you have events that you would like to have included, please mail them to ELABORATIONS at the address on page 2. Information must be received at least one month before the scheduled event. The editor reserves the right to make final decisions on inclusion.