

Independent Laboratory

Provider Manual



**Iowa Department
of Human Services**



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May 1, 2014

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CHAPTER III. PROVIDER-SPECIFIC POLICIES

A. INDEPENDENT LABORATORIES ELIGIBLE TO PARTICIPATE

An independent laboratory is eligible to participate in the program providing it is certified under Medicare.

B. COVERAGE OF INDEPENDENT LABORATORY SERVICES

Payment is made for medically necessary laboratory services provided by independent laboratories certified to perform under Medicare.

Payment is made directly to the laboratory for services provided to a Medicaid member. No payment will be made to a physician for services provided by the laboratory. The laboratory must do its own billing to Medicaid.

C. BASIS OF PAYMENT

Payment for services rendered by an independent laboratory is based on a fee schedule.

Click [here](#) to view the fee schedule for Independent Laboratory Services.

D. PROCEDURE CODE AND NOMENCLATURE

Iowa uses the Healthcare Common Procedure Coding System (HCPCS) which is based on the most recent edition of Current Procedural Terminology (CPT). The five-position procedure code must be followed by one of the following modifiers, if applicable:

Modifier	Description
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EP	Service as the result of a Care for Kids (Early and Periodic Screening, Diagnosis, and Treatment) physical
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FP	Family planning service
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Claims submitted without a procedure code and appropriate ICD-9-CM diagnosis code will be denied.



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E. BILLING POLICIES AND CLAIM FORM INSTRUCTIONS

Claims for Independent Laboratory providers are billed on federal form CMS-1500, *Health Insurance Claim Form*.

Click [here](#) to view a sample of the CMS-1500.

Click [here](#) to view billing instructions for the CMS-1500.

Refer to [Chapter IV. Billing Iowa Medicaid](#) for claim form instructions, all billing procedures, and a guide to reading the Iowa Medicaid Remittance Advice statement.

The Billing Manual can be located online at:

http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual_Documents/Provman/all-iv.pdf.