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MEMORANDUM

To: Chief Financial Officers – All Hospitals

From: Dennis N. Phelps – Deputy Director-Audit & Compliance

Re: Charging for COVID-19 Laboratory Test-CPT Code 87635

Date: March 27, 2020

The purpose of this memorandum is to provide guidance on reporting and charging for the COVID-19 laboratory (LAB) test. Typically, charges for LAB services are based upon the relative value units assigned to the test’s specific CPT Code in the HSCRC Accounting and Budget Manual, Appendix D multiplied by the hospital’s HSCRC approved LAB rate per RVU. Temporarily, for the duration of the COVID-19 State of Emergency, the HSCRC is implementing a statewide standardized tiered charge for COVID-19 testing based on Medicare Administrative Contractor guidance and American Medical Association coding.

The standardized charge is calculated as follows:

CPT Code	Test	Medicare Price	RVU	Charge per RVU
87635	Infectious agent detection by nucleic (DNA or RNA); severe acute respiratory Coronavirus 2 (SSARS-CoV-2) (Coronavirus disease [COVID-19]), amplified probe technique	\$51.31	120	\$0.4276

All hospitals are to set the charge per RVU for the COVID -19 test at \$0.4276 so that the charge at all hospitals is \$51.31. Hospitals are to adjust the charge per RVU on all other LAB tests to maintain unit rate compliance.