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MEMORANDUM

To: Chief Financial Officers – All Hospitals

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

Re: Update - Charging for COVID-19 Laboratory Tests

Date: April 17, 2020

The purpose of this memorandum is to update the guidance on reporting and charging for COVID-19 laboratory (LAB) tests that were provided in my memorandum of March 26, 2020. Temporarily, for the duration of the COVID-19 State of Emergency, the HSCRC implemented a statewide standardized tiered charge for COVID-19 testing based on Medicare's payment.

Subsequently, on April 14, 2020, the Centers for Medicare and Medicaid Services (CMS) released a Final Ruling on its policy concerning the designation and payment of certain clinical diagnostic laboratory (LAB) tests related to COVID-19. The CMS Final Rule, effective March 18, 2020 through the end of the State of Emergency, increased the payment for LAB tests for the detection of SARS-COV-2 or the diagnosis of the virus that causes COVID-19 that make use of **high throughput technologies**. Examples of high throughput technology as of April 14, 2020 include but are not limited to; Roche cobras 6800 System, Roche cobras 8800 System, Abbott m2000 System, Hologic Panther Fusion System, GeneXpert Infinity System, and NeuMoDx 28 Molecular. Recognizing that the test using the new high throughput technology require more total resources, i.e., intensive technician training and more time intensive processes the Medicare payment was set at \$100. These tests will also be subject to a statewide standardized tiered charge based on Medicare's payment.

The standardized charges are calculated as follows:

| CPT Code/ HCPCS Billing Code | Test | Medicare Price | | Charge per RVU |
|------------------------------------|--|-------------------|-----|----------------------|
| 87635/ U0002 | Infectious agent detection by nucleic acid (DNA or RNA); severe acute respiratory syndrome Coronavirus 2 (SSARS-CoV-2) (Coronavirus disease [COVID-19]), amplified probe technique | \$51.31 | 120 | \$0.4276 |

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|-----------------|--|----------|-----|----------|
| 87635/ U0003 | Infectious agent detection by nucleic acid (DNA or RNA); severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) (Coronavirus disease [COVID-19]), amplified probe technique, making use of high throughput technologies | \$100.00 | 120 | \$0.8333 |
| 87635/ U0004 | 2019-nCoV Coronavirus, SARS-CoV coronavirus SARS-CoV-2/2019-nCoV (COVID-19), any technique, multiple types or subtypes (includes all targets), non-CDC, making use of high throughput technologies | \$100.00 | 120 | \$0.8333 |

All hospitals are to set the charges per RVU for the COVID -19 tests at \$0.4276 or \$0.8333 so that the charge at all hospitals is either \$51.31 or \$100. Hospitals are to adjust the charge per RVU on all other LAB tests to maintain unit rate compliance.

Rate setting guidance for antibody testing CPTs 86328 and 86769 is pending at this time. Note that CPT 86328 was previously reported via CPT 86318, and CPT 86769 was previously reported via CPT 86790.