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FACT SHEET
KNOWLEDGE • RESOURCES • TRAINING

Complying with Documentation Requirements for Lab Services

What's Changed?

Note: No substantive content updates.

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES
Medicare Learning Network®
CERT A/B MAC Outreach & Education
Task Force for Error-Free Medicare Claims

This fact sheet describes common Comprehensive Error Rate Testing (CERT) program errors related to medical record documentation. It's designed to help providers understand how to provide accurate and supportive documentation for lab orders.

CMS uses the CERT program to measure improper payments in the Medicare Fee-for-Service (FFS) Program. Under CERT, we review a random sample of Medicare FFS claims to determine if the Medicare Administrative Contractor (MAC) paid them correctly under Medicare coverage, coding, and billing rules.

Most improper lab services payments come from insufficient documentation. Insufficient documentation means the patient medical records are missing something. Sufficient documentation supports:

- Intent to order (for example, a signed progress note, signed office visit note, or signed physician order)
- The medical necessity of ordered services

Documentation & Signature Requirements

You, the physician, practitioner, or non-physician practitioner who's treating the patient (and who provides consultation or treats them for a specific medical problem and uses the results to manage their specific medical problem), must order the tests. Tests you haven't ordered for treating the patient aren't reasonable and necessary.

Document medical necessity in the patient's medical record when ordering the service.

The entity submitting the claim must keep documentation, which includes:

- Documentation of the order for the service billed (including information that allows us to find and contact the ordering provider)
- Documentation showing correct order processing and claim submission
- Diagnostic or other medical information you provided to the lab (including any ICD-10-CM code or narrative description)

Diagnostic lab test orders require 1 of these:

- A signed order or signed prescription listing the specific test
- An unsigned order or unsigned lab prescription listing specific tests done followed by an authenticated medical record supporting intent to order the specific tests
- An authenticated medical record that supports your intent to order specific tests

Unsigned physician orders or unsigned requisitions alone don't support physician intent to order. Physicians should sign all orders for diagnostic services to avoid potential denials.

If a signature is missing on a progress note, which supports intent, the ordering physician must complete an attestation statement and submit it with the response.

The CERT C3HUB has a sample signature attestation statement. If the signature is illegible, we'll accept an attestation statement or signature log. We don't accept attestation statements for unsigned physician orders or requisitions.

NOTE: The Medicare Program Integrity Manual, Chapter 6, section 6.9.1, has more information on order requirements.

You can deliver an order through:

- A written and signed document that's hand-delivered, mailed, or faxed to the testing facility. We don't need your signature on orders for clinical diagnostic tests paid based on the clinical lab fee schedule, based on the physician fee schedule, or for physician pathology services.
- A call from you or your office to the testing facility.
- An email from you or your office to the testing facility.

The Medicare Benefit Policy Manual, Chapter 15, section 80.6, has more information.

NOTE: If you communicate the order by phone, you or your office staff and the testing facility must document the call in the patient's medical record. We don't require a signed order, but you must document in the medical record your intent to do the test.

The Complying with Medical Record Documentation Requirements and Complying with Medicare Signature Requirements fact sheets provide more guidance.

Medical record documentation should include enough information to show the ordered or provided tests are reasonable and necessary, per 42 CFR 410.32.

Signature stamps are allowed only when a provider with a physical disability can provide proof to the MAC of their inability to sign due to their disability.

Simplifying Documentation Requirements has more information.

Ordering or Referring Services

If you bill lab services to Medicare, the treating physician, practitioner, or non-physician practitioner must sign the order (or progress note to support the intent to order) and document the medical necessity of those services. These records may be housed at another location (for example, a nursing facility, hospital, or referring physician's office).

While a signature isn't required on the physician order, the physician must clearly document in the patient's medical record their intent to perform the test.

If you order diagnostic services for Medicare patients, you must also keep the documented order (including standing orders and protocols) or intent to order and medical necessity of the services in the patient's medical record.

Keep in mind, “standing orders” can mean:

- Recurring orders specific to the care of an individual patient
- Routine orders for services to a population of patients

We consider paying for only medically necessary services ordered and provided, including those based on treatment protocols, when documentation supports the orders, and protocols are tailored to each patient. Keep this information available upon request for a Medicare claim review and submit it with the test results. 42 CFR 424.516(f) explains “access to documentation.”

Cooperation and record-sharing among ordering and referring providers and facilities performing diagnostic tests are important for reducing errors and avoiding claim denials.

Resources

- Medicare Benefit Policy Manual, Chapter 15, section 80.6.1
- Medicare Claims Processing Manual, Chapter 16
- Medicare National Coverage Determinations Manual, Chapter 1, Part 3, section 190
- Medicare Program Integrity Manual, Chapter 3, sections 3.2.3.3 and 3.2.3.7
- Provider Compliance

The Medicare Learning Network® (MLN) and the Comprehensive Error Rate Testing (CERT) Part A and Part B (A/B) Medicare Administrative Contractor (MAC) Outreach & Education Task Force developed this content to provide nationally consistent education to health care providers.