



ANNUAL NOTICE TO PHYSICIANS

January 1, 2026

As part of the **LabX Diagnostic Systems (LDS) Medicare Compliance Plan**, LDS annually reviews aspects of ordering tests for Medicare patients and billing for those tests. Please review this information carefully and contact us at compliance@labxdiagnostics.com or **1-800-240-2074** if you have any questions.

CPT Codes

The CPT codes submitted to the Centers for Medicare and Medicaid Services (CMS) must be valid at the time the service is provided. **2026 CPT codes take effect on January 1, 2026.** All discontinued codes will be invalid after that date. LDS will use 2026 CPT codes starting January 1, 2026. LDS bills Medicare for tests using the CPT codes listed in our Practitioners Manual and Fee Schedule.

The 2026 Medicare Clinical Laboratory Fee Schedule (CLFS) is available at: cms.gov/medicare/payment/fee-schedules/clinical-laboratory-fee-schedule-clfs

Medicare Coverage of Laboratory Testing

When ordering laboratory tests billed to Medicare/Medicaid or other federally-funded programs, the following requirements apply:

1. Only tests that are **medically necessary** for the diagnosis or treatment of the patient should be ordered. Medicare will pay for medication monitoring testing. The diagnosis must be documented in the patient's medical record. Information on NCDs (National Coverage Determinations) and LCDs (Local Coverage Determinations) is available at:
CMS: www.cms.gov • National Government Services: www.ngsmedicare.com
2. If there is reason to believe that Medicare will not pay for a test (for example, employment testing or non-FDA approved tests), the patient should be informed and should sign an **Advance Beneficiary Notice (ABN)** to acknowledge responsibility for the cost if Medicare denies payment. Please contact us if you need further information on ABNs.
3. The ordering physician must provide an **ICD-10 diagnosis code** (not a narrative description) to the highest level of specificity, where applicable.
4. Medicare National Limitation Amounts for CPT codes are available through CMS or its contractors. Medicaid reimbursement will be equal to or less than the Medicare reimbursement amount.

Reflex Testing Policy

Presumptive screening is performed for certain drug classes and metabolites. If a presumptive screen is **positive**, definitive testing will be performed when reflex positive testing has been ordered. If the presumptive screen is **negative**, definitive testing will only be performed if ordered individually by the physician based on medical necessity.

Additional Information

Appropriate test use may be discussed with the LDS Medical Director. Please email compliance@labxdiagnostics.com or call **1-800-240-2074, Option 3** to be connected with our Medical Director.

This notice is issued pursuant to the LDS Medicare Compliance Plan. It is intended for licensed healthcare providers ordering laboratory services through LabX Diagnostic Systems.