

90.4 – Local Coverage Determinations (LCDs)

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

90.4.1 – MAC with Exclusive Jurisdiction over a Medicare Item or Service

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

In some instances, one Medicare A/B MAC processes all of the claims for a particular Medicare-covered item or service for all Medicare beneficiaries around the country. This generally occurs when there is only one provider of a particular item or service (for example, certain pathology and lab tests furnished by independent laboratories). In this situation, MA plans must follow the coverage policy reflected in an LCD issued by the A/B MAC that enrolled the provider and processes all of the Medicare claims for that item or service.

90.4.2 – Multiple A/B MACs with Different Policies

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

When there are multiple A/B MACs that have different coverage policies in an MA plan's service area, the MA plan must choose from the following alternatives for its coverage policy. Note: All DME MACs have the same LCDs; therefore, there should not be differences related to DME coverage in a plan's service area.

Local Plans:

1. A local MA plan may choose to adopt the coverage policy that applies to original Medicare beneficiaries. In this alternative, the coverage policy that applies to plan enrollees will be that of the A/B MAC with jurisdiction over the state in which the service is furnished to the enrollee.
2. A local MA plan that chooses to adopt a uniform coverage policy that will apply uniformly to all plan enrollees, may choose the A/B MAC coverage policy applicable in its service area that is the most beneficial to enrollees.
 - The MA plan must make information on the selected coverage policy determinations readily available, including through the plan's website, to all enrollees and health care providers; and
 - The MAO must notify CMS, through its account manager, 60 days before the date bids are due, if it elects to adopt a uniform local coverage policy for any plan or plans in the subsequent year (42 CFR § 422.101(b)(3)(i)). In preparing this notification, the MAO should include, at a minimum:
 - An identification of the plan(s) and service area(s) to which the uniform local coverage policy or policies will apply;

- The competing local coverage policies involved; and
- A table contrasting the local coverage areas by listing and comparing those policies in each coverage area that represent expansions of Medicare Part A and Part B services.

CMS will review notices provided to evaluate the selected policy or policies on the bases of cost, access, geographic distribution and health status of enrollees. CMS will notify the MAO of its approval or denial of the selected uniform local coverage policy or policies.

Regional Plans:

1. A regional MA plan may choose to adopt the coverage policy that applies to original Medicare beneficiaries. In this alternative, the coverage policy that applies to plan enrollees will be that of the A/B MAC with jurisdiction over the state in which the service is furnished to the enrollee or
2. A regional MA plan that chooses to adopt a uniform coverage policy must select one of the A/B MACs with jurisdiction in the plan service area and apply the policies of that A/B MAC uniformly to all enrollees of the plan.
 - Plans must make information on the selected local coverage policy determinations readily available, including through the plan's website, to all enrollees and health care providers.
 - Regional MA plans may not select local coverage policies from more than one A/B MAC and selection of the coverage policy is not subject to CMS pre-approval (42 CFR § 422.101(b)(4)) but must notify CMS, through their account managers, 60 days before the date bids are due, if the plan elects to adopt a uniform local coverage policy for any plan or plans in the subsequent year (42 CFR § 422.101(b)(3)(i)). In preparing this notification, plans should include, at a minimum:
 - An identification of the plan(s) and service area(s) to which the uniform local coverage policy or policies will apply;
 - The competing local coverage policies involved; and
 - A table contrasting the local coverage areas by listing and comparing those policies in each coverage area that represent expansions of Medicare Part A and Part B services.

Note: If a local or regional MA plan adopts a uniform coverage policy as indicated above, that uniform coverage policy only applies to its service area. Services for an enrollee from a provider outside the service area are covered based on the local coverage determinations of that provider's geographic location.

