

DEPARTMENT: Regulatory Compliance Support	POLICY DESCRIPTION: Billing - Orders for Hospital Outpatient Tests and Services
PAGE: 1 of 5	REPLACES POLICY DATED: 4/6/98, 4/1/00, 10/1/01, 10/15/02, 8/1/03, 4/15/04, 3/6/06; 6/1/07, 5/15/10, 10/1/15, 4/1/16, 2/1/19
EFFECTIVE DATE: February 1, 2025	REFERENCE NUMBER: REGS.GEN.004
APPROVED BY: Ethics and Compliance Policy Committee	

SCOPE: All HCA Healthcare affiliated hospitals performing and/or billing outpatient services. Specifically, the following departments:

Nursing	Case Management
Admitting/Registration	Health Information Management
Medical Staff	Physician Office Staff
Central Scheduling	Outpatient Departments
Revenue Integrity	Reimbursement
Administration	Advanced Practice Professionals
Shared Service Centers	Emergency Departments
Billing Integrity	

PURPOSE: To establish billing guidelines outlining the documentation required for orders for hospital outpatient tests and services in accordance with Medicare, Medicaid and other federally-funded payer guidelines.

POLICY: Orders for hospital outpatient tests and services are valid for billing purposes provided they are documented and include the data elements as defined in this policy. Absent specific exceptions and consistent with Federal and State law, tests and services must be provided based on the order of physicians or advanced practice professionals (APP) acting within the scope of any license, certificate, or other legal credential authorizing practice in the state in which the hospital is located. In order to bill for tests and services, a valid order must be present in the medical record. Valid orders include written or verbal orders and hospital approved protocols.

State laws/regulations and other entities (e.g., The Joint Commission, Medicare Conditions of Participation) may have additional requirements beyond the scope of this policy. Hospitals should consult their legal operations counsel with regard to state requirements.

Medicare does not require an order to provide the services listed below. However, state or local laws/regulations may establish additional requirements for these services which must be met.

- Screening mammography;
- Influenza virus vaccine and its administration;
- Pneumococcal pneumonia vaccine (PPV) and its administration
- Hepatitis B vaccine and its administration; and
- COVID-19 vaccine and its administration.

PROCEDURE:

1. Registration and hospital department personnel must review outpatient orders to verify required data elements for billing are present. In addition, custom profiles and protocols can be considered valid orders provided they meet the requirements specified in the definition section of this policy.

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Test or Service Orders – Data elements required for billing:

Please note all elements need **not** be in the same document, but may be found in other areas of the medical record.

- Patient name
- Test or service requested (If performed as a part of a protocol or standing order, a copy of the protocol or standing order must be maintained in the patient's medical record)
- Reason for ordering test or service (i.e., diagnosis, sign, symptom, ICD-CM diagnosis code)
- Name of Physician or APP ordering test or service
- Phone number and address of Physician or APP ordering test or service
- Date the order was written
- Time the service was performed may be required for certain services where billing is determined by the length of the service. Examples include observation services, infusions, and physical therapy.

Verbal orders must include the above elements and also the following:

- Orders reduced to writing
- Given only by authorized Physician or APP
- Verbal orders received only by Qualified Individual
- Date order given and date/time order entered into patient record

When the above elements are present and all other coverage guidelines are met, the hospital may bill for the tests or services ordered.

2. If information from the order is missing, staff members receiving the outpatient order must attempt to obtain the required information. Every effort should be made to obtain all information prior to tests being performed or services being rendered. However, if patient care or the integrity of a specimen is at risk, continue processing the test(s) or performing the service(s) and subsequently obtain required elements. Refer to Attachment A – Written Verification of Verbal and Incomplete Orders.

3. Physician or APP authentication must be legible and obtained as defined by medical staff bylaws, rules and regulations and enforced by hospital policy and procedure. Hospitals may code and bill the account without an authenticated order; however, the order must be promptly authenticated.

In order to clearly identify the individual authenticating an order, protocol, or standing order, a signature legend/log should be maintained and submitted with medical record requests.

Note: Signature stamps must not be used in the medical record. If an order is received with a stamped signature, the hospital may use Attachment A – Written Verification of Verbal and Incomplete Orders, in order to obtain the appropriate authentication.

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4. All staff responsible for ordering, registering, performing, charging, coding or billing outpatient tests or services must be educated on the contents of this policy.

SPECIAL CONSIDERATIONS:

- It is acceptable for a resident physician to order a test or service *provided* the hospital's medical staff bylaws, rules and regulations authorize resident physicians to be granted the privilege of ordering tests or services.
- The hospital's medical staff bylaws, rules and regulations must define who can relay verbal orders and must be based upon state law defining who is licensed to order such tests or services. The hospital's medical staff bylaws, rules and regulations must define who, by title or category can accept and document verbal orders. Refer to Attachment A – Written Verification of Verbal and Incomplete Orders.

Protocol/Clinical Pathways and Standing Orders must be approved by the Medical Staff on an annual basis as indicated in the [CMS State Operations Manual Appendix A – Survey Protocol, Regulations and Interpretive Guidelines for Hospitals](#).

There are no Medicare rules which specify a limiting time frame for orders. Each hospital may determine how long orders are "valid". The patient's condition can change over time, so when a timeframe is questionable, it may be the best practice to contact the ordering physician for confirmation or an updated order.

DEFINITIONS:

Authentication - An author's validation of his or her own entry in a document. Methods may include written signatures, faxed signatures or computer "signatures" depending on state law, and medical staff bylaws. Only the physician or APP ordering the test or service may perform authentication. State regulations and medical staff bylaws, rules and regulations specify whether APP orders require countersignature by a physician. In order to clearly identify the individual authenticating an order, protocol or standing order, a signature legend/log should be maintained and submitted with medical record requests.

Custom Profile - A physician specific group of commonly ordered laboratory tests or panels which have not been defined by the AMA or CMS that are medically necessary in treating a patient's condition. Custom profiles are for use by the defining physician only and an acknowledgement must be signed by the physician on an annual basis. Reference the Billing - Custom Profiles policy, REGS.LAB.007.

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Advanced Practice Professional (APP) - Individuals such as clinical nurse specialists, clinical psychologists, clinical social workers, nurse-midwives, nurse practitioners and physician assistants who furnish services that would be physician services if furnished by a physician and who are operating within the scope of their authority under State law, within the scope of their Medicare statutory benefit and in accordance with hospital rules, regulations and by-laws.

Outpatient Services - Outpatient services are those services rendered to a person who has not been admitted by the hospital as an inpatient but is registered on the hospital records as an outpatient and who receives services (rather than supplies alone) from the hospital. Outpatient services include, but are not limited to, observation, emergency room, ambulatory surgery, laboratory, radiology and other ancillary department services.

Qualified Individuals - Those persons qualified by specific state rules, regulations and facility medical staff bylaws to accept verbal orders for outpatient tests or services.

Protocol/Clinical Pathway - A treatment regime or standardized specifications for care of any patient having a specifically-defined care need (e.g., AHCPR protocol for treatment of pressure ulcers). A protocol is developed through a formal process that incorporates the best scientific evidence of effectiveness with expert opinion and is agreed upon by consensus. Note: Orders for tests or services may be supported by a valid, approved hospital protocol that has been initiated by a physician or APP. A copy of the protocol must be maintained in the patient's medical record.

Standing Order - Instructions for patient care under specified circumstances (e.g., ED orders for patients presenting with chest pain), which are to be followed for all patients unless the attending physician intervenes with different instructions. Standing orders must be valid and approved in accordance with medical staff bylaws, rules and regulations, state and federal regulations and rules of accrediting agencies. Note: Orders for tests or services may be supported by valid, approved hospital standing orders that have been initiated by a physician or APP. A copy of the standing order must be maintained in the patient's medical record.

REFERENCES:

1. Medicare Conditions of Participation
2. 42 CFR 482.23; 482.24; 482.26b.4
3. JCAHO RC.02.03.07
4. JCAHO MS.04.01.01
5. Records Management Policy, [EC.014](#)
6. Licensure and Certification Policy, [COG.PPA.002](#)
7. Medicare Claims Processing Manual (Pub 100-4), Chapter 18, Sections 10 and 20
8. Medicare Benefit Policy Manual (Pub 100-2), Chapter 15, Section 50
9. [CMS State Operations Manual Appendix A – Survey Protocol, Regulations and Interpretive Guidelines for Hospitals](#)

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10. 42 CFR 410.32
11. Attachment A : Written Verification of Verbal and Incomplete Orders

Written Verification of Verbal and Incomplete Orders

The hospital is required to obtain written verification for all verbal and/or incomplete test or service orders. The items circled below are required to complete the processing of the test or service order. Please complete the information, sign below as written verification of the verbal request, and fax or mail to:

Hospital Name Address Line One Address Line Two City, State, Zip Code Phone/Fax Number			
Reason for Order: <input type="checkbox"/> Verbal Order <input type="checkbox"/> Additional Test or Service Ordered <input type="checkbox"/> Incomplete Order Received <input type="checkbox"/> Other: _____			
Date:	Time:	Ordering Physician/APP: NPI:	Requested By:
Physician Address:		Physician Office Phone Number: Physician Office Fax Number:	
Patient Name:	Patient Sex:	Patient Birthdate:	
Patient Address:		Patient Insurance:	
Test(s)/Service(s) Ordered		ICD-CM diagnosis code, Diagnosis, Sign or Symptom	
Physician/APP Signature:		Date:	
Physician Countersignature (if required):		Date:	
Person Receiving Order:		Date:	
For Recurring Orders Only:			
Order Start Date:	Order End Date:	Frequency:	

Card Emboss Area (Optional)