

2026 Annual Notice to Physicians and Mid-Level Providers

Kaiser Permanente Northwest Laboratories is required by the Office of the Inspector General (OIG) and Centers for Medicare/Medicaid Services (CMS) to annually notify physicians and mid-level providers of regulations and information that affect the ordering of laboratory tests. Please review the information below with regard to documenting and ordering tests.

Medical Necessity

When placing laboratory orders, providers are required to consider medical necessity, frequency of testing, and specificity to the patient according to individual payor guidelines. It is the responsibility of the provider to ensure medical necessity is documented in the patient's medical record.

Physicians and other authorized ordering parties should only order AMA-defined Organ/Disease Panels when all the panel components are medically necessary. Payment for individual components of AMA defined Organ/Disease Panels will be rejected if not medically necessary. Medicare will only pay for testing that is "*reasonable and necessary to treat or diagnose an individual patient.*" This includes any and all tests which are components of a Medicare-approved panel. Medically-unnecessary, non-covered, experimental, research-use-only, and non-FDA-approved tests will be denied.

Advanced Beneficiary Notice (ABN)

A valid diagnosis is required for each laboratory test ordered. Medicare reimbursement may be denied for certain tests (e.g., non-covered, medically unnecessary, experimental, research-use-only, duplicate, unqualified screening tests, or non-FDA-approved tests). When Medicare is likely to deny payment, the patient must be notified prior to specimen collection. If the patient chooses to have the testing performed, they must sign an Advanced Beneficiary Notice (ABN) confirming their understanding that they will be responsible for payment. It is the responsibility of the physician or other authorized orderer to obtain a properly completed ABN when the patient is serviced in his/her office.

Reflex Testing

When certain criteria are met for specific laboratory tests, additional reflex testing may be automatically ordered to provide more comprehensive diagnostic information. Kaiser Permanente determines linked and reflex testing criteria using practice guidelines, evidence-based clinical reviews, physician input, and laboratory accreditation standards.

CPT coding will accurately reflect the testing performed. Kaiser Permanente laboratories utilize reference laboratories to perform esoteric testing; these laboratories also utilize reflex testing.

Kaiser Permanente physicians are responsible for ordering the appropriate test (with or without reflex) by choosing the orderable in Epic HealthConnect. Community providers accomplish this using paper requisitions provided by Kaiser Permanente. Tests performed by Kaiser Permanente Northwest Laboratories that reflex additional testing can be found in [Policy Tech](#) or by visiting the [Laboratory Test Guide](#).

KPNW Contacts

For questions or more information please contact Laboratory Client Services (503) 258-6900 or visit our site at [Laboratory Test Guide](#).