



Payment and Reimbursement Glossary  
Last Updated April 5, 2017

ACRO NYM	Full Name	Definition
CLFS	Clinical Laboratory Fee Schedule	Outpatient <i>clinical laboratory</i> services are paid based on a <i>fee schedule</i> in accordance with Section 1833(h) of the Social Security Act. Payment is the lesser of the amount billed, the local <i>fee</i> for a geographic area, or a national limit. ( <a href="https://www.cms.gov/Medicare/Medicare-fee-for-service-Payment/clinicallylabfeesched/index.html">https://www.cms.gov/Medicare/Medicare-fee-for-service-Payment/clinicallylabfeesched/index.html</a> )
CPT	Current Procedural Terminology Code	A medical <i>code</i> set that is used to report medical, surgical, and diagnostic procedures and services to entities such as physicians, health insurance companies and accreditation organizations.
	Crosswalk	Method to allow CMS to determine payment for a laboratory test when a comparable test already exists.
DRG	Diagnosis Related Group	A statistical system of classifying any inpatient stay into groups for the purposes of payment. The DRG classification system divides possible diagnoses into more than 20 major body systems and subdivides them into almost 500 groups for the purpose of Medicare reimbursement ( <a href="https://www.healthlawyers.org/hiresources/Health%20Law%20Wiki/Diagnosis-related%20group%20(DRG).aspx">https://www.healthlawyers.org/hiresources/Health%20Law%20Wiki/Diagnosis-related%20group%20(DRG).aspx</a> )
	Gapfill	Method to allow CMS to determine payment for a laboratory test when no comparable technology exists. In order to gapfill payment for a particular test, CMS asks its local Medicare contractors to determine a reimbursement amount for the first year by factoring in various data points, such as test charges, discounts, resources required to perform the diagnostic, what other payors might be paying. In the second year, the test code under the gapfill process is paid at the "national limitation," established by calculating the median reimbursement rate paid by contractors. ( <a href="https://www.genomeweb.com/mdx/cms-initial-ruling-places-genetic-tests-lab-fee-schedule-favors-gapfill-fix-paym">https://www.genomeweb.com/mdx/cms-initial-ruling-places-genetic-tests-lab-fee-schedule-favors-gapfill-fix-paym</a> )
ICD	International Statistical Classification of Diseases and Related Health Problems	A health care classification system, providing a system of diagnostic codes for classifying diseases, including nuanced classifications of a wide variety of signs, symptoms, abnormal findings, complaints, social circumstances, and external causes of injury or disease. ( <a href="https://en.wikipedia.org/wiki/International_Statistical_Classification_of_Diseases_and_Related_Health_Problems">https://en.wikipedia.org/wiki/International_Statistical_Classification_of_Diseases_and_Related_Health_Problems</a> )
LCDs	Local Coverage Determinations	Decisions by Medicare and their administrative contractors at the local level that provide coverage information and determine whether services are reasonable and necessary on certain services offered by participating providers.
MACs	Medicare Administrative Contractors	A private health care insurer that has been awarded a geographic jurisdiction to process Medicare Part A and Part B (A/B) medical claims or Durable Medical Equipment (DME) claims for Medicare Fee-



Payment and Reimbursement Glossary  
Last Updated April 5, 2017

		For-Service (FFS) beneficiaries. ( <a href="https://www.cms.gov/medicare/medicare-contracting/medicare-administrative-contractors/what-is-a-mac.html">https://www.cms.gov/medicare/medicare-contracting/medicare-administrative-contractors/what-is-a-mac.html</a> )
NCDs	National Coverage Determinations	Decisions by Medicare and their administrative contractors at the national level that provide coverage information and determine whether services are reasonable and necessary on certain services offered by participating providers.
NLA	National Limitation Amount	National reimbursement of a service based on an unweighted median of regional fee schedule amounts.
PFS	Professional Fee Schedule	A <i>fee schedule</i> is a complete listing of <i>fee</i> maximums used by Medicare to pay <i>physicians</i> , other enrolled health care professionals, or providers/suppliers on a <i>Fee-For-Service (FFS)</i> basis.
RUC	Specialty Society Relative Value Update Committee	AMA multi-specialty committee tasked with making relative value recommendations to CMS for new and revised codes, as well as annually updating relative value units (RVUs) to reflect changes in medical practice ( <a href="http://www.gastro.org/practice-management/coding/ruc-process">http://www.gastro.org/practice-management/coding/ruc-process</a> )
RVU	Relative value units	The dollar amount of the conversion factor is established each year by Congress. The <i>RVUs</i> themselves are determined as part of what's known as the Resource-based <i>Relative Value Scale (RBRVS)</i> , a system for describing, quantifying, and reimbursing physician services <i>relative</i> to one another. ( <a href="http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/calculating-relative-value-units/rvus-valuable-tool-aiding-practice-m?page=full">http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/calculating-relative-value-units/rvus-valuable-tool-aiding-practice-m?page=full</a> )