



Information about LCDs and LCD Challenges

Section 522 of the Benefits Improvement and Protection Act (BIPA) defines an LCD as a decision by a fiscal intermediary (FI) or carrier whether to cover a particular service on an intermediary-wide or carrier-wide basis in accordance with Section 1862(a)(1)(A) of the Social Security Act (e.g., a determination as to whether the service or item is reasonable and necessary).

FIs, Carriers, and Medicare Administrative Contractors (MACs) are Medicare contractors that develop and/or adopt LCDs. Medicare contractors develop LCDs when there is no National Coverage Determination (NCD) or when there is a need to further define an NCD. The guidelines for LCD development are provided in Chapter 13 of the Medicare Program Integrity Manual.

A local policy may consist of two separate, though closely related documents: the LCD and an associated article. The LCD only contains reasonable and necessary language. Any non-reasonable and necessary language a Medicare contractor wishes to communicate to providers may be done through the article. At the end of an LCD that has an associated article, there is a link to the related article and vice versa.

In addition to creating the term "Local Coverage Determination" (LCD), section 1869(f) of the Social Security Act creates an appeals process for an "aggrieved party" to challenge LCDs/LCD provisions that are in effect at the time of the challenge. "Aggrieved party" is defined in regulation as a Medicare beneficiary, or the estate of a Medicare beneficiary, who is entitled to benefits under Part A, enrolled under Part B, or both (including an individual enrolled in fee-for-service Medicare, in a Medicare Advantage plan (MA), or in another Medicare managed care plan), and is in need of coverage for an item or service that would be denied by an LCD, as documented by the beneficiary's treating physician, regardless of whether the service has been received. An aggrieved party has obtained documentation of the need by the beneficiary's treating physician. For more information on the LCD Challenge process please see <https://www.medicare.gov/claims-appeals/local-coverage-determinations-lcd-challenge>.