



## Medicare Coverage of Items and Services

### Criteria for Medicare Coverage

In general, for an item or service to be considered for Medicare coverage it must:

1. Fall within at least one benefit category established in [Section 1861 of the Social Security Act \(the Act\)](#);
2. Not be specifically excluded by the Act; and
3. Be “reasonable and necessary” (R&N) for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member ([§1862\(a\)\(1\)\(A\) of the Act](#)).

### Medicare Coverage Determinations

#### National Coverage Determinations (NCDs)

NCDs are determinations by CMS regarding whether a particular item or service is covered (or not covered) nationally under Medicare.

#### Local Coverage Determinations (LCDs)

As defined in [§1869\(f\)\(2\)\(B\)](#) of the Act, LCDs are determinations by MACs regarding whether or not a particular item or service is covered on a contractor-wide basis in accordance with the “reasonable and necessary” standard [in §1862\(a\)\(1\)\(A\) of the Act](#). LCDs may be developed in the absence of an NCD or as a supplement to an NCD as long as the LCD policy does not conflict with national policy. Most Medicare coverage decisions are made locally by the MACs.

### Claim-by-Claim Review

In the absence of an LCD or NCD, claims are reviewed on a claim-by-claim basis by the MACs. In such cases, the MACs review the claim on an individual basis to ensure that all CMS requirements have been met prior to paying the claim.

*Reference:*

[Medicare Coverage of Items and Services | CMS](#)