PROGRAM MEMORANDUM CARRIERS

Department of Health and Human Services

Health Care Financing Administration

Transmittal No. B-00-44 **Date AUGUST 30, 2000**

This Program Memorandum re-issues Program Memorandum B-99-34, Change Request 935 dated September 1999. The only change is the discard date; all other material remains the same.

CHANGE REQUEST 935

SUBJECT: SITE VISITS AND ENROLLMENT OF INDEPENDENT DIAGNOSTIC TESTING FACILITIES (IDTFs)

This program memorandum (PM) supplements the instructions provided in the previously issued PM, Transmittal No. B-98-52, Dated DECEMBER 1998, CHANGE REQUEST 761. That PM discussed the basic policy for enrollment of IDTFs and provided guidance for conversion to IDTF status of Independent Physiological Laboratories (IPLs). This PM provides funding and guidance for carrier personnel to perform site visits to IDTFs. It also provides policy guidance concerning numerous IDTF enrollment issues which we have been advised of since the issuance of the previous PM.

IDTF SITE VISITS

Carriers shall perform a site visit for all IDTFs in FY 1999. This includes all entities already enrolled as IDTFs, IPLs who are in the process of converting their enrollment from an IPL to an IDTF, and new entities seeking IDTF enrollment. If an IDTF has already received a site visit in FY 1999, a new site visit is not required. For IPLs who have already submitted a Form HCFA-855 requesting to become an IDTF, and on that basis have been granted a temporary exemption for IDTF billing (in accordance with B-98-52), a site visit shall be performed prior to the final determination that they should be enrolled as an IDTF. If an IDTF has more than ten practice locations, but is not a mobile unit, the carrier does not have to perform a site visit to each location. A sampling of practice locations can be performed. However, each practice location address must be verified. Mobile units are required to list all sites where they can furnish services. However, the carrier does not have to verify each potential mobile practice site (they can be very numerous and the IDTF may actually never perform services at these sites).

The purpose of a site visit is to verify that an IDTF actually exists at the location shown on the Form HCFA-855 and that the information shown on ATTACHMENT 2 of the Form HCFA-855 is correct, verifiable and in accordance with IDTF requirements. To the maximum extent practical, site visits should be performed on an unannounced basis. This may not always be practical for IDTFs who are located a great distance from the site reviewer or for mobile units. Additional follow-up site visits may be required based upon carrier judgement. The site visit can be performed by personnel considered qualified by the carrier. The personnel are not required to have any specific medical training or licenses. However, the carrier shall provide any training required to ensure that the site visitor is familiar with the equipment to be verified, and the qualifications of the technicians and Supervisory Physician(s). The site visitor should do the following:

1. Verify that the location address shown on the Form HCFA-855 is the actual address for the IDTF;

2. Verify that the test required equipment shown in block 3 of ATTACHMENT 2 actually exists and is present at the IDTF;

3. Observe that for diagnostic tests being performed at the IDTF, a state licensed or certified technician shown in block 3 of ATTACHMENT 2, is actually performing the test;

4. For tests that require personal supervision, observe that a Supervisory Physician shown in block 2 of ATTACHMENT 2 is actually present and with the patient;

5. For tests that require direct supervision, observe that a Supervisory Physician shown in block 2 of ATTACHMENT 2 is within the required proximity of the patient; and

6. For tests that require general supervision:

- Ask the technician the name of the Supervisory Physician(s) who are supervising the tests. They should be listed in block 2 of ATTACHMENT 2.

- Ask the technician how they can get in contact with the Supervising Physician(s) and their knowledge of procedures to follow if they have a problem with diagnostic tests they are performing.

- Ask for a copy of any procedures related to how the general supervision requirement is being met. However, written procedures are not specifically required and they can be furnished separate from the site visit.

GENERAL SUPERVISION REQUIREMENTS

We are currently preparing a PM which will provide the level of physician supervision (personal, direct or general) required for specified diagnostic tests. Until the new PM on this is released, carriers shall continue to use their own judgement regarding applicable supervision levels. Previously we have provided you with the results of a workgroup that considered the supervision levels.

In accordance with Code of Federal Regulations (CFR) §410.32, "General Supervision means the procedure is furnished under the physician's overall direction and control, but the physician's presence is not required during the performance of the procedure. Under general supervision the training of the nonphysician personnel who actually perform the diagnostic procedure and the maintenance of the necessary equipment and supplies are the continuing responsibility of the physician." In applying this definition we cannot impose a physical distance limit between where the test is performed and where the supervisory physician is located. However, the Supervising Physician for each test must be licensed in each state where they are acting as a Supervisory Physician. The Supervisory Physician must also be enrolled with Medicare. However, enrollment with a single Medicare carrier is sufficient.

Under general supervision, the Supervisory Physician for each test must be listed on ATTACHMENT 2 of Form HCFA-855. A group practice of physicians cannot be considered a Supervisory Physician. Each physician from the group practice who actually provides the supervision must be listed separately as a Supervisory Physician on ATTACHMENT 2 of Form HCFA-855. If a Supervisory Physician has been recently added or changed, the updated information must be added to the Form HCFA-855 within 30 days of the change. The carrier should

check to determine that CFR §410.32 general supervision requirements are being met. To substantiate this, the carrier can ask for written procedures from the IDTF describing how this is being accomplished. Discussions with IDTF personnel can also be used to determine that this requirement is being met. It is important to ascertain the following:

1. The technician(s) performing the test(s) actually knows who the Supervisory Physician is for the test being performed and how to contact the Supervisory Physician(s).

2. All listed Supervising Physicians are aware that they are a Supervisory Physician for tests being performed by the IDTF. The carrier shall call or meet each listed Supervisory Physician. This may entail contacting another carrier to obtain information concerning the physician. In most instances a telephone call to the physician will be sufficient. The telephone number of the Supervisory Physician should be ascertained by the carrier using existing carrier records and not obtained from the enrolling IDTF.

3. There are written procedures in place to ensure that the equipment is properly functioning and calibrated.

The end result of the review is to ascertain that the Supervising Physician listed actually exists (i.e. a phony or inactive physician number is not being used), and is aware of their responsibilities as a Supervising Physician.

FINAL IDTF ENROLLMENT

If as a result of the site visit or other investigation, you suspect that the potential IDTF does not meet all IDTF requirements, do not complete final enrollment. Further investigation should be attempted. This may include, but is not limited to, additional site visits, claims review, and additional discussions and investigations of IDTF personnel and Supervisory Physician(s). This can be performed while the potential IDTF is still receiving a temporary exemption for IDTF billings as part of a conversion from IPL status. Investigation should continue until you ascertain if the potential IDTF meets the IDTF standards. If they do not, then proceed with termination action.

IDTF PERSONNEL

The IDTF regulations require only that the technicians who are performing the tests be licensed or certified. They are not required to be employees of the IDTF. They can be contracted by the IDTF. They may even be employees of a hospital, whom the hospital is providing under contract with the IDTF. If that applies, then the carrier should contact the fiscal intermediary who services the hospital. The fiscal intermediary can then validate that the hospital is making any appropriate cost reductions for salaried employees who are not always present at the hospital.

BILLING ISSUES

An IDTF is not restricted to billing only the technical component of diagnostic services. In certain situations, an IDTF can bill for both the technical component of the diagnostic test and interpretative services. This is referred to as billing "globally". The interpretative services must be performed by a licensed practitioner who is allowed to perform the service.

If the interpreting practitioner is an employee of the IDTF, then the IDTF must submit a Reassignment of Benefits, Form HCFA-855R, which has been signed by the practitioner. This is in accordance with Medicare Carrier Manual (MCM) 3060.1 If the interpreting practitioner is a contractor performing the interpretation on the premises that the IDTF owns or leases, the IDTF must submit a Reassignment of Benefits, Form HCFA-855R, which has been signed by the

practitioner. This is in accordance with MCM 3060.3C. In no instance can a group of physicians reassign their benefits to the IDTF. Only individual practitioners can reassign their benefits. Carriers do not have to request a reassignment of benefits for each IDTF, as many IDTFs will not have practitioners reassigning their benefits to the IDTF. The carrier shall retain any Form HCFA-855Rs received. If the processing system used by the carrier cannot input the reassignment data for the IDTF code ((i.e. the Provider Enrollment System (PES) cannot)) then the carrier should just file the Forms HCFA-855R received. The carrier can then periodically check IDTF claims. If they have billings that involve reassignment, the reassignment Form HCFA-855R should be on file. If it is not on file, the carrier should obtain it from the IDTF.

If an IDTF wants to bill for a professional interpretation performed by an independent practitioner off the premises of the IDTF, the IDTF must meet the conditions shown in MCM 3060.5 concerning purchased interpretations. In this case there is no reassignment of benefits, since the purchaser of the test is considered the supplier of the test. When the technical component of a test is performed by a mobile unit of the IDTF and the interpretative practitioner is the practitioner who ordered the test, the IDTF cannot bill for the interpretation. The interpretative practitioner must bill for the interpretation.

The contractor section of the Form HCFA-855, Section 12, should be completed by the IDTF only for businesses who are contractors and who are providing the IDTF $10,000.00 or more per year in medical or diagnostic supplies. Individuals should not be included in Section 12.

Additional services related to, or generally considered required for, performing a diagnostic test are also payable to an IDTF. Examples are the billing for injections used in performance of a diagnostic test. Specifically codes 23350, 64445, 19030, 19110 and 19100 are payable to an IDTF. As noted above, an IDTF can bill practitioner services when they are performed by a qualified practitioner in accordance with the coverage, payment and general billing rules, and in accordance with the reassignment of benefit and purchased test rules. However, an IDTF is not allowed to bill for surgical procedures that are clearly not related to, or required for a diagnostic test. In some cases, an Ambulatory Surgical Center (ASC) may be performing the surgery. The ASC and the IDTF can be owned by a single entity but must have a separate enrollment and billing number for each.

There has been some confusion over applying the term “independent” in permitting IDTF enrollments. Any entity requesting to become an IDTF is considered to be independent unless they are designated as provider based. The entity may be owned wholly or in part by other individuals or entities who are providers or suppliers. The reason we use the term independent is to distinguish an IDTF from entities who can bill for diagnostic tests but do not have to meet IDTF standards. Examples of these are hospitals, individual physicians and group practices of physicians. If a hospital owns an IDTF, the carrier shall notify the fiscal intermediary of the hospital to assure that the hospital is not billing for IDTF services for patients who are already being billed by the hospital to the fiscal intermediary under a diagnostic related group (DRG) billing or other payment method.

You may receive Form HCFA-855 applications after March 15, 1999 from potential IDTFs who are enrolled with you as IPLs. This is usually the result of an IPL not previously meeting all the qualifications to become an IDTF. If these applicants now meet the IDTF standards, they may be enrolled as an IDTF. However, they can bill retroactively only to the date where they actually met the IDTF standards. An example of this would be if an IPL first employed a certified technician on April 1, 1999 and submitted a Form HCFA-855 on May 1, 1999. If the applicant qualifies as an IDTF, billings can be made as an IDTF starting April 1, 1999. Billings before March 16, 1999 can be made as an IPL. Billings between March 16, 1999 and March 31, 1999 are not payable, since the tests did not meet IDTF standards and IPL billings were no longer allowed.

ELECTRONIC CARDIAC MONITORING SERVICES

Electronic cardiac monitoring services perform their services without actually seeing the patient. In many instances, they use billing codes 93232, 93278TC and 93271. We currently do not have specific certification standards for their technicians. However, we have decided that they can be classified as IDTFs. The credentialling requirements for them are to be based upon carrier discretion. They do require a Supervisory Physician who performs General Supervision. Final enrollment of these entities as an IDTF requires a site visit. Conversion of existing electronic cardiac monitoring services to IDTF status shall follow the procedures for **CONVERSION OF ALREADY ENROLLED ENTITIES WHO REQUIRE IDTF STATUS** which is described in B-98-52. If they have not already been notified, these entities should be promptly notified of their need to become an IDTF and submit a Form HCFA-855. They should be given 90 days from the date of your notification to them to submit a Form HCFA-855. After the 90 days, reject their claims.

SLIDE PREPARATION FACILITIES

Slide preparation facilities are entities that provide slide preparation services and other kinds of services that are payable through the technical component of the surgical pathology service. These entities do not provide the professional component of surgical pathology services or other kinds of laboratory tests. The services that they provide are recognized by carriers for payment, as codes in the surgical pathology code range (88300) to (88399) with a technical component value under the physician fee schedule. The services provided by these entities are usually ordered by and reviewed by a dermatologist. Slide preparation facilities generally only have one or two people performing this service. Some carriers have previously enrolled these entities as IPLs. Therefore, those carriers later attempted to convert these slide preparation facilities to IDTFs. Due to their unique characteristics, the slide preparation facilities cannot actually become IDTFs. They do not have a Supervisory Physician and we have not specified certification requirements for their technicians.

Slide preparation facilities do not require conversion to IDTFs to retain Medicare billing privileges. A new Form HCFA-855 requesting IDTF enrollment is not required. They can simply continue their enrollment if they are already enrolled. A site visit to them is not required. Any requirements for them are to be based upon carrier discretion. Where they have been previously classified as IPLs, to permit payment, carriers are allowed to place them under the IDTF code, if that is the only way that the carrier can effect payment. If a carrier has been or can effect payment for them under a different code, they should continue to do so. Each carrier should keep a reference listing providing the identifying information for each slide preparation facility allowed to bill as an IDTF. In the future, we may set standards for the slide preparation facilities and place them in a code other than an IDTF code. However, due to millennium considerations, this cannot be accomplished at the present time.

IPL TO IDTF CONVERSION DATA

To aid in determining the effectiveness of the program to set IDTF standards, each carrier shall complete the report shown in Attachment 1. This report should be sent directly via E-mail to Barry Bromberg at BBROMBERG@HCFA.GOV. A copy should be sent to your regional office. The report is due by October 1, 1999.

These instructions are to be implemented within your current operating budget. If additional funding is needed please submit a Supplemental Budget Request.

This PM may be discarded after September 1, 2001.

Implementation Date: September 15, 1999

Contact Person for this PM is Barry Bromberg (410) 786-9953.

Attachment

Carrier Name
Carrier Number
Regional Office
Number of Enrolled IPLs Prior To Efforts To
Convert IPLs To IDTF
Number of IPLs To IDTF Conversion
Requests
Number of IPLs Who Did Not Submit A
Conversion Request to Become An IDTF
Number of Currently Enrolled IDTFs (Do not
include IPL to IDTF conversion requestors who
have only been granted a temporary exemption
for IDTF billings)
Number of IDTF requests awaiting final
disposition (Include the IPL to IDTF
conversion requestors who have only
been granted a temporary exemption for
IDTF billings).
Number of IDTF requestors denied