NAVIGATING
the Place of Service Rule Change and the Potential Ramifications for Radiology

BY BRIGETTE LABAR

Foreword

Amid much confusion over the Place of Service (POS) rule change instituted by the Centers for Medicare & Medicaid Services (CMS), a panel of experts provided guidance in a February webinar, "Navigating the Place of Service Rule Change and the Potential Ramifications for Radiology."[1] Below is an extract of some of the key points made during the webinar.

Background

For many years, CMS has been attempting to improve accuracy and enhance transparency in claims adjudication. In that spirit, CMS Change Request (CR) # 7631 and CMS Transmittal 2613 provide guidance and clarification on data elements in the electronic 5010 format or paper CMS-1500 form. The actual codes from the national POS Code Set reported in box 24B did ***not*** change on April 1.

What ***did*** change is our understanding of the requirement to report the physical address, or "service facility location," of the interpretation in CMS-1500 box 32, or its electronic equivalent.

The RBMA, ACR, HBMA, and MGMA participated in a teleconference with CMS on March 26, requesting additional guidance or a delay if such guidance was not forthcoming by the April 1 implementation date. CMS indicated it would provide clarification to address the many questions still outstanding on the eve of the implementation date.

Global billing

According to CMS' transmittal, global billing is only permitted when: (1) the technical component (TC) and the professional component (PC) are furnished by the same physician or supplier entity and (2) the PC and TC are furnished in the same Medicare payment locality.

During the webinar, Tom Greeson, a partner in the law firm of Reed Smith LLP, stated: "CMS made it very clear that global billing is permitted only if the same physician both supervised and provided interpretation service or if the same physician who interpreted the study is an 'employee' of the entity that provided the technical component services.

We are recommending to our clients that the radiologist be identified in the contract that the radiology group has with the outside supplier entity and that the radiologist ought to sign a joinder agreement that he or she provides those services to the supplier entity.

Most of the services that radiology groups and imaging centers bill for now are reassigned, and all reassigned services have long been required to be submitted and adjudicated only by a MAC that has jurisdiction over the geographical area where those services were rendered. If radiology Group A has an 'employee' relationship with an IDTF but Group A reads these studies in a different Medicare locality than the IDTF, then split billing to Medicare is required under this scenario. The professional component can be billed, albeit separately, either by the IDTF or by Group A."

Capturing the service facility location

Most providers intend to capture the service facility location via the RIS/PACS system, which is typically translated to billing systems via an interface. According to Mark Morsch, vice president of technology at OptumInsight, the community of RIS vendors should ensure that "…the physical address itself is documented appropriately, and is captured and preserved throughout the process of coding and billing, successfully applied to the claim, and making sure that the chain of trust is maintained."

The chain of trust issue is significant as any future Medicare audit or RAC process will require documentation that can validate the claim and provide assurance that appropriate payment was made to the provider by CMS. The service facility location, whether codified to protect a radiologist's home office, or reported as a workstation ID, should be included on the radiology report, because it will be retained for some number of years, whereas there are no rules for the length of time an HL7 file should be retained.

Multi-hospital, multi-radiology information systems

For radiology groups that provide service to multiple hospitals with different radiology information systems, CR 7631 has the potential to further complicate processes. Wendy Lomers, CFO for Acclaim Radiology Management and RBMA President-elect, explained that while hospital partners can have different RIS/PACS/VR, it is possible get them to work with you to obtain compliance.

"…I have stressed that this is a Medicare requirement so all radiologists are required to comply," Wendy said. "While the initial reaction is caused by the feeling that they have plenty to do and this is an inconvenience, they all seem to accept the fact that this is doable and are working to accomplish it."

Interpreting "unusual" place of service

To date, CMS has not provided guidance on many questions that are central to making business decisions and creating or changing workflows, even when redesigning software. In response to the frequently asked question, "How broadly can we interpret 'unusual' place of service?" RBMA Executive Director Michael Mabry provided a response from the joint RBMA/ACR Guidance, which states, "CMS acknowledges that interpretations can be provided in 'unusual and infrequent' locations and, in these instances, permits ZIP code reporting based on the physician's 'most common' Medicare-enrolled location."

In the absence of explicit definitions and usage, radiology must thoughtfully interpret the guidance, while continuing to network and to advocate for reasonable regulatory codification.

In response to the question of whether the reported service facility location should be where the interpretation was made or where the report was signed, Craig Dobyski of CMS responded, "The radiologist would need to determine the address that best reflects the majority of the rendered service." Here again, each provider will need to determine, and be able to justify their interpretation of "majority."

Medicare-only change

"It's going to be our position to only change those claims that are directed to Medicare," Wendy clarified.

Tom agreed adding, "…unless you have had a contract with a private payor that says you must comply with Medicare reimbursement rules. Or, if a state Medicaid program, for example, requires you to follow Medicare payment rules."

"It's our intention to capture it on all reports," Wendy added. "We don't use it except in the case of a Medicare claim, but it's captured on all of them."

This is important because the radiologist won't know if this particular report is going to end up on a Medicare claim or not. It's also very important to retain the Service Facility Location in your billing software for all payors, so that if the initial non-Medicare payor is later changed to Medicare the Service Facility Location is accurately reported.

Teleradiology concerns

Many questions abound about whether CR 7631 will be enforced or applied differently to a teleradiology claim.

"…teleradiologists follow the same requirements," Michael said, "…Medicare has a specific definition of telehealth/telemedicine which is different from teleradiology."

It's very possible that CR 7613 may prompt hospitals to ask their teleradiology partners to directly bill Medicare, as this will be less complicated than changing RIS programming, re-configuring billing processes and systems and enrolling with all the MACs needed to correctly report the interpretation place of service.

During the March 26 teleconference with CMS, it was noted that MACs appear to be interpreting CR 7631 in different ways, or are offering guidance to providers that is at odds with CR 7631. While the questions continue and the debate rages, Wendy reminded us to communicate and network within RBMA, and with our extended family of associations, including ACR, HBMA, and MGMA.

"Please speak up about the issues that you run into," Wendy said. "Please make sure that those who are fighting for you know about those issues. Please keep that line of communication open to the RBMA and the ACR and [the other groups] so we can fight for you."

FOOTNOTE

1. The webinar, "Navigating the Place of Service Rule Change and the Potential Ramifications for Radiology," was hosted by XIFIN, Inc., on Feb. 20, 2013. Brigette LaBar served as moderator. The panelists were Thomas Greeson, Wendy Lomers, Michael Mabry and Mark Morsch. The full transcript and recording are available at: http://promotions.xifin.com/POSRadiology_RecordingRegistration.html.

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