CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1504	**Date: MAY 16, 2008**
	Change Request 5815

Subject: New Chapter for Independent Diagnostic Testing Facilities (IDTF)

I. SUMMARY OF CHANGES: This change request adds a new chapter to Pub.100-04, Medicare Claims Processing manual. Currently, the Medicare Claims Processing manual does not have claims processing instructions for Independent Diagnostic Testing Facilities (IDTF),therefore; information from Pub.100-08, Program Integrity Manual, chapter 10, regarding claims processing instructions for IDTF is being excerpted and added to Pub.100-04, Medicare Claims Processing Manual via Chapter 35, which is a new Chapter.

New / Revised Material
Effective Date: June 16, 2008
Implementation Date: June 16, 2008

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N	35/Table of Contents
N	35/10/General Coverage and Payment Policies
N	35/10.1/The Term Independent Diagnostic Testing Facility (IDTF)
N	35/10.2/Claims Processing
N	35/20/Ordering of Test
N	35/30/Purchased Diagnostic Test
N	35/30.1/National Provider Identification (NPI) Reported on Claims
N	35/40/Interpretations Performed Off the Premises of the IDTF
N	35/50/Therapeutic Procedures

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

Pub. 100-04	Transmittal: 1504	Date: May 16, 2008	Change Request: 5815

SUBJECT: New Chapter for Independent Diagnostic Testing Facilities (IDTF)

Effective Date: June 16, 2008

Implementation Date: June 16, 2008

I. GENERAL INFORMATION

A. Background: This change request adds to Pub.100-04, chapter 35, which is a new chapter. Currently, Pub.100-04, Medicare Claims Processing manual, does not have instructions regarding claims processing for an independent diagnostic testing facility (IDTF), therefore; information from Pub. 100-08, Program Integrity Manual, chapter 10, regarding IDTF claims processing is being excerpted and added to Pub.100-04, Medicare Claims Processing manual, via chapter 35, which is a new chapter.

B. Policy: Contractors should refer to Pub. 100-04, chapter 35, for IDTF claims processing requirements and Pub.100-08, chapter 10, for information concerning provider enrollment and instructions regarding entities that must enroll as and bill for diagnostic procedures as an IDTF.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
5815.1	Contractors shall be aware that information regarding IDTF claims processing has been excerpted from Pub.100-08, chapter 10, and moved to Pub. 100-04, chapter 35, which is a new chapter.	X		X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
5815.2	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X	X						

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Samantha Williams at 410-786-3321 or Samantha.Williams@cms.hhs.gov

Post-Implementation Contact(s): Your appropriate Regional Office (RO)

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs),* use the following statement:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Claims Processing Manual
Chapter 35 – Independent Diagnostic Testing Facility (IDTF)

Table of Contents
(Rev. 1504, 05-16-08)

Medicare Claims Processing Manual
Chapter 35 – Independent Diagnostic Testing Facility (IDTF)

10 - General Coverage and Payment Policies

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

Effective for diagnostic procedures performed on or after March 15, 1999, carriers will pay for diagnostic procedures under the physician fee schedule only when performed by a physician, a group practice of physicians, an approved supplier of portable x-ray services, a nurse practitioner, or a clinical nurse specialist when he or she performs a test he or she is authorized by the State to perform, or an independent diagnostic testing facility (IDTF). An IDTF may be a fixed location or a mobile entity. It is independent of a physician's office or hospital.

Refer to the Medicare Program Integrity Manual, Pub. 100-08, chapter 10, for information concerning provider enrollment and instructions regarding entities that must enroll as and bill for diagnostic procedures as an independent diagnostic testing facility (IDTF).

10.1 – The term "Independent Diagnostic Testing Facility (IDTF)"

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

Consistent with 42 CFR 410. 33(a)(1), an IDTF is one that is independent both of an attending or consulting physician's office and of a hospital. However, IDTF general coverage and payment policy rules apply when an IDTF furnishes diagnostic procedures in a physician's office.

10.2 – Claims Processing

A - Billing Issues

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

Nothing in this document or in the Medicare Enrollment Application, (CMS-855B) or the Internet-based Provider Enrollment, Chain and Ownership System shall be construed or interpreted to authorize billing by an IDTF, physician, physician group practice, or any other entity that would otherwise violate the physician self-referral prohibition set forth in §1877 of the Social Security Act and related regulations. Carriers must deny claims submitted in violation of §1877 and demand refunds of any payments that have been made in violation of §1877.

Consistent with 42 CFR 410.32(a), the supervisory physician for the IDTF, whether or not for a mobile unit, may not order tests to be performed by the IDTF, unless the supervisory physician is the patient's treating physician and is not otherwise prohibited from referring to the IDTF. The supervisory physician is the patient's treating physician if he or she furnishes a consultation or treats the patient for a specific medical problem and uses the test results in the management of the patient's medical problem.

If an IDTF wants to bill for an interpretation performed by an independent practitioner off the premises of the IDTF, the IDTF must meet the conditions shown in IOM Pub 100-04, §30.2.9.1 concerning purchased interpretations.

B - Transtelephonic and Electronic Monitoring Services

Transtelephonic and electronic monitoring services (e.g. twenty four hour ambulatory EKG monitoring, pacemaker monitoring and cardiac event detection) may perform some of their services without actually seeing the patient. Most but not all of these billing codes are, 93012 ,93014, 93040, 93224, 93225, 93226, 93232, 93230, 93231, 93233, 93236, 93270, 93271, 93731, 93733, 93736, 95953, 95956, These monitoring service entities should be classified as IDTFs and must meet all IDTF requirements. We currently do not have specific certification standards for their technicians; technician credentialing requirements for them are at carrier discretion. They do require a supervisory physician who performs General Supervision. Final enrollment of a transtelephonic or electronic monitoring service as an IDTF requires a site visit.

For any entity that lists and will bill codes 93012, 93014, 93268, 93270, 93271, 93272, the carrier must make a written determination that the entity actually has a person available on a 24 hour basis to answer telephone inquiries. Use of an answering service in lieu of the actual person is not acceptable. The person performing the attended monitoring should be listed in Section 3 of Attachment 2 of Form CMS-855B. The qualifications of the person are at the carrier's discretion. The carrier shall check that the person is available by attempting to contact the applicant during non-standard business hours. In Particular, at least one of the contact calls should be made between midnight and 6:00 AM. If the applicant does not meet the availability standard they should receive a denial.

C - Slide Preparation Facilities and Radiation Therapy Centers

Slide Preparation Facilities and Radiation Therapy Centers are not IDTFs. 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.

All enrolled Slide Preparation Facilities must enroll separately with their Medicare contractor. Radiation Therapy Centers provide therapeutic services and therefore are not IDTFs. Radiation Therapy Centers must enroll separately with their Medicare contractor.

20 – Ordering of Test

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

All procedures performed by the IDTF must be specifically ordered in writing by the physician or practitioner who is treating the beneficiary, that is, the physician who is furnishing a consultation or treating a beneficiary for a specific medical problem and who uses the results in the management of the beneficiary's specific medical problem. (Nonphysician practitioners may order tests as set forth in CFR 410.32(a)(3).)

The order must specify the diagnosis or other basis for the testing. The supervising physician for the IDTF may not order tests to be performed by the IDTF, unless the IDTF's supervising physician is in fact the beneficiary's treating physician. That is, the physician in question had a relationship with the beneficiary prior to the performance of the testing and is treating the beneficiary for a specific medical problem. The IDTF may not add any procedures based on internal protocols without a written order from the treating physician.

30 – Purchased Interpretations

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

A person or supplier that provides diagnostic tests may submit the claim, and (if assignment is accepted) receive the Part B payment, for diagnostic test interpretations which that person or entity purchases from an independent physician or medical group if:

- *The tests are initiated by a physician or medical group which is independent of the person or entity providing the tests and of the physician or medical group providing the interpretations;*
- *The physician or medical group providing the interpretations does not see the patient; and*
- *The purchaser (or employee, partner, or owner of the purchaser) performs the technical component of the test. The interpreting physician must be enrolled in the Medicare program. No formal reassignment is necessary.*

The purchaser must keep on file the name, the provider identification number and address of the interpreting physician. The rules permitting claims by a facility or clinic for services of an independent contractor physician on the physical premises of the facility or clinic are set forth in §§30.2.7 and 30.2.8.3.

***NOTE:** This change does not negate the requirement that when an entity either purchases an interpretation or a test, they themselves must perform the other component in order to be paid for the purchased component. This also does not negate the requirement that the purchased price of the TC must be reported.*

Effective for claims with dates of service on or after January 25, 2005, carriers must accept and process claims for purchased diagnostic interpretations billed by suppliers

(including laboratories, physicians, and independent diagnostic testing facilities [IDTFs]) enrolled in the carrier's jurisdiction, for services furnished anywhere in the United States. Effective April 1, 2005, carriers must price claims for purchased interpretations based on the ZIP code of the location where the service was rendered when submitted by a laboratory or IDTF, using a CMS-supplied abstract file of the MPFS containing the HCPCS codes that are payable under the MPFS as either a purchased test or interpretation for the calendar year. (See IOM Publication 100-04, chapter 23, §30.6, and Addendum for record layouts and instructions for downloading the Abstract File for Purchased Diagnostic Tests/Interpretations.) Until further notice, carriers must pay the local rate for purchased interpretation claims when submitted by a physician.

***NOTE:** As with all services payable under the MPFS, the ZIP code is used to determine the appropriate payment locality and corresponding fee for the purchased test/interpretation. When a ZIP code crosses county lines, CMS uses the dominant locality to determine the corresponding fee.*

30.1-National Provider Identification (NPI) Reported on Claims

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

Effective for dates of service May 23, 2008 and later, IDTF's must submit the NPI assigned to the ordering physician in box 17B of the CMS-1500 form and in the appropriate loop of the ANSI X 12N 837P electronic claim format.

40 – Interpretations Performed Off the Premises of the IDTF

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

If an IDTF wants to bill for an interpretation performed by an independent practitioner off the premises of the IDTF, the IDTF must meet the conditions shown in IOM Pub 100-04, §30.2.9.1.

50 – Therapeutic Procedures

(Rev. 1506; Issued: 05-16-08; Effective/Implementation Date: 06-16-08)

An IDTF shall not be allowed to bill for any CPT or HCPCS codes that are solely therapeutic.