Paperwork for hospitals and facilities using teleradiology services has gotten easier since the
government enacted interim guidelines relaxing billing requirements for out-of-state interpretations.
Final regulations should be in place by April.

The Centers for Medicare and Medicaid Services previously required healthcare providers to bill the
Medicare carrier in the same state as the interpretation of a study. The new CMS rules will allow
physicians to bill their local Medicare carriers globally for diagnostic interpretation services, even
when radiologists in another state perform the professional component of the study.
The Medicare reimbursement policy change announced in November has opened the door to
competing interstate teleradiology interpretation services by eliminating the biggest obstacle, said
lawyer Thomas W. Greeson, a partner in the healthcare group of Reed Smith LLP in Falls Church, VA.
"It is also a positive move in the direction of a much more efficient billing process," Greeson said.
The change could create business opportunities for teleradiology and nighttime interpretation
companies, as well as for hospitals and radiology groups across the nation.
Teleradiology companies can enhance their ability to provide these services, while nighthawks can
expand on their portfolio with subspecialty reads. Nighttime interpretation services, on the other
hand, get paid mostly for preliminary interpretations that don't involve Medicare payments. Policy
changes could, however, reverse the situation, allowing these services to provide official reads and
bill Medicare for them, Greeson said.
Interstate teleradiology expansion may especially benefit underserved areas in the country.
Teleradiology firms currently serve hospitals in areas where radiologists are scarce. The new CMS
provisions could prove a boon to those facilities.
"Rural and underserved facilities would get access to people with subspecialty training whom they
normally wouldn't have access to," said Dr. Eric T. Trefelner, president of Nightshift Radiology in
Montara, CA.
Outside competition may upset imaging groups that serve hospitals and imaging centers in their own
communities, however. Even though the new rules pertain specifically to U.S.-based radiology, many
U.S. radiologists fear that these policies, coupled with ongoing lobbying for more aggressive
outsourcing in areas unrelated to healthcare, may help open the door to unfair competition from
radiologists abroad.
"This is the thin edge of the wedge," Trefelner said.
The new rules do not apply to all, however. Healthcare providers who must comply with the
self-referral prohibitions in the Stark laws still must contract locally with radiologists who are
required to perform their services on the premises.
CMS presented two manuals dealing with the new rules for billing rights, one effective through March
2005, and another including the permanent guidelines to follow thereafter:
Temporary Change for Carrier Jurisdictional Pricing Rules
Implementation of Medicare Physician Fee Schedule
For more information from the Diagnostic Imaging archives:
Report from RSNA: Thrall weighs pros and cons of radiology outsourcing
Healthcare law will mean big changes in practice
Medicare ER payment policies remain murky
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