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## Compliance in teleradiology: A focus on reimbursement frameworks

by Melody W. Mulaik, MSHS, Briauna Driggers, and Kimberly Maupin, CPC

Teleradiology facilitates the remote diagnosis and treatment of patients across the globe by providing a crucial component of telemedicine and revolutionizing the way diagnostic imaging services are delivered. This innovation enhances access to specialized imaging interpretation services and significantly improves the efficiency and reach of healthcare delivery. Teleradiology is beneficial to healthcare services in many ways. The utilization of teleradiology services can enable a facility to reduce its out-of-pocket costs, provide 24/7 radiological services, increase the number of physicians available for consultation, and expedite and improve patient care.

By eliminating geographical boundaries, teleradiology presents a unique set of challenges and opportunities, particularly in the realms of legal compliance, data security, and ethical considerations. Compliance in teleradiology is not only about adhering to laws; it's about ensuring the highest standards of patient care, safeguarding patient data, and maintaining the integrity of radiological services.

This article delves into the critical aspects of compliance in teleradiology, highlighting the importance of navigating the complex regulatory landscape, ensuring data security and privacy, managing licensing, credentialing intricacies, and upholding ethical standards.

### Navigating regulatory frameworks in teleradiology

Regulations surrounding teleradiology are intricate and governed by a patchwork of international, national, and state-level policies. These regulations are designed to ensure patient safety, data protection, and the quality of healthcare services. In the U.S., HIPAA sets the standard for protecting sensitive patient data.<sup>[1]</sup> These regulations have profound implications for teleradiology—particularly how patient data is transmitted, stored, and accessed remotely.

### Licensing, credentialing, and cross-border teleradiology services

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The Centers for Medicare & Medicaid Services (CMS) has recently streamlined its processes regarding teleradiology services. In the past, many steps were needed when a radiologist was contracted to perform teleradiology services for an organization/group located in another state. Reassignment of the contracted radiologist's billing rights now takes place electronically, bringing more efficiency to the process.

The CMS-855R form that a contracted radiologist previously used to reassign their billing rights to an eligible organization/group—allowing that organization/group to submit claims and receive payment for their Medicare Part B services—has been discontinued. The separate CMS-855R reassignment form has been consolidated into the CMS-855I Medicare enrollment application for radiologists.<sup>[2]</sup>

An organization/group contracting for teleradiology services is required to submit reassignment updates regularly. Reassignment can now be accomplished electronically by updating the reassignment section of the CMS-855I enrollment application through the Provider Enrollment, Chain, and Ownership System (PECOS).<sup>[3]</sup> More information regarding this change in the reassignment process can be found in the Consolidated CMS-8551/CMS-855R bulletin.<sup>[4]</sup> It is essential for organizations to ensure that they have a good process in place to monitor and update necessary changes in CMS-855I. Additionally, CMS has indicated that they will also be updating CMS-855B to include reassignment in future form updates.

The *Medicare Program Integrity Manual*, Chapter 10, Section 10.3.1.4.3, contains regulatory requirements for inter-jurisdictional reassignments.<sup>[5]</sup> The manual states that a physician or nonphysician practitioner only needs to be licensed in the state where they are practicing and is not required to be licensed in the state where the image was generated (where the patient and the organization/group are located). That said, individual states may have differing guidelines and/or requirements since states can be more restrictive than CMS. Note that CMS requirements differ from the American College of Radiology (ACR) policy—mentioned later in this article—which requires a radiologist to be licensed both in the state where they practice and where the image was generated.

Section 10.3.1.4.3 also expresses that the organization/group providing the service where the images are generated must enroll in both the jurisdiction where they are physically located and in the jurisdiction where the radiologist provides the interpretation. When submitting for enrollment in the jurisdiction where the radiologist provides the interpretation, the organization/group providing the services where the images are generated is required to use the radiologist's location in the practice location information section of the CMS-855B Medicare enrollment application form for clinics/group practices and other suppliers.<sup>[6]</sup> The organization/group does not have to be licensed to provide services in the state where the physician providing interpretations is practicing.

In contrast, the ACR has set forth policies that directly impact the practice of teleradiology.<sup>[7]</sup> One such policy mandates that **physicians interpreting images in states other than where they are physically located must be licensed in both the state where the image was generated (where the patient is located) and the state where the interpretation takes place** (emphasis added). It is vital to note that the place where the image was generated (where the patient is located) should be captured as the place of service for any provided teleradiology services. However, the address where the interpretation occurs (where the radiologist is sitting) should be utilized as the physical address entered in item 32 on the CMS-1500 claim form. Utilizing the correct address on the claim form will determine the appropriate Medicare administrative contractor to submit the claim, along with the correct reimbursement rates for the teleradiology service provided.

CMS Manual System, Transmittal 2679, Section E. Determination of Payment Locality states (in part):

When the physician's interpretation of a diagnostic test is billed separately from

the technical component, as identified by modifier -26, the interpreting physician (or his or her billing agent) must report the address and ZIP code of the interpreting physician's location on the claim form. If the professional interpretation was furnished at an unusual and infrequent location for example, a hotel, the locality of the professional interpretation is determined based on the Medicare enrolled location where the interpreting physician most commonly practices. The address and ZIP code of this practice location is entered in Item 32 on the paper claim Form CMS 1500 (or its electronic equivalent).<sup>[8]</sup>

The Interstate Medical Licensure Compact offers a streamlined licensing process for physicians wishing to practice in multiple states, facilitating cross-state teleradiology services.<sup>[9]</sup> This agreement, which includes 29 participating U.S. states, the District of Columbia, and the territory of Guam, and enhances the mobility of teleradiology services while ensuring compliance with state licensure laws.

Teleradiology has also allowed U.S.-based groups the ability to request services from radiologists who are residing overseas. This ability has filled the service need for groups providing 24-hour care. Many radiologists residing overseas are licensed in the state where the radiology group practice is located, credentialed at the affiliated hospital, and contracted by payers. Regardless of the radiologist's licensure and credentials, Medicare will not provide coverage or reimburse for final reads provided by a physician residing in another country. Commercial payers should be consulted to determine their policy on coverage and reimbursement of out-of-country interpretations.

In November 2020, a radiology practice in Jacksonville, FL, agreed to pay \$1.4 million to settle fraudulent billing allegations.<sup>[10]</sup> The U.S. Department of Justice (DOJ) alleged that imaging practice Mori, Bean, and Brooks fraudulently billed government programs for teleradiology services provided overseas. The services were provided over seven years, from 2012 to 2019. In response to the settlement, the U.S. Department of Health and Human Services Office of the Inspector General Special Agent Omar Perez Aybar stated, "Medicare only pays for services provided in accordance with Medicare rules. Today's settlement should serve as a warning that anyone attempting to defraud taxpayer-funded health care programs will be vigorously pursued."<sup>[11]</sup>

More recently, on March 28, 2024, a \$3.1 million settlement was announced between the U.S. attorney's office and an Atlanta, GA-based teleradiology firm that alleged improper billings for some services from 2012 to 2018 to the government for work handled by contractors in India for the "rubber-stamping" of interpretations.<sup>[12]</sup> The settlement states that a staff radiologist located within the U.S. would briefly review the overseas interpretations and bill under their own name and number.

As teleradiology continues to evolve, staying on top of these regulatory guidelines and understanding their implications for coding and billing practices ensures that teleradiology services are delivered ethically, legally, and with patient care in mind.

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