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Medicare's Requirements for Ordering Diagnostic Tests

Does the referring physician need to include signs/symptoms or a diagnosis?

Yes, section 4317(b) of the Balanced Budget Act (BBA), requires referring physicians to provide this diagnostic information to the testing entity at the time the test is ordered. If the referring physician indicates a "rule out", he/she must also include signs/symptoms prompting the exam for the "rule out" condition.

What constitutes an order?

An "order" is a communication from the treating (referring) physician/practitioner requesting that a diagnostic test be performed for a beneficiary. The order may conditionally request an additional diagnostic test for a particular beneficiary if the result of the initial diagnostic test ordered yields to a certain value determined by the treating physician/practitioner (e.g., if test X is negative, then perform test Y).

An order may include the following forms of communication:

- ◆ A written document signed by the treating physician/practitioner, which is hand-delivered, mailed, or faxed to the testing facility;
- ◆ A telephone call by the treating physician/practitioner or his/her office to the testing facility; and
- ◆ An electronic mail by the treating physician/practitioner or his/her office to the testing facility.

If the order is communicated via telephone, both the treating (referring) physician/practitioner or his/her office, and the testing facility must document the telephone call in their respective copies of the beneficiary's medical records.

The treating (referring) physician/practitioner must order all diagnostic tests furnished to a beneficiary who is not an institutional inpatient or outpatient. A testing facility that furnishes a diagnostic test ordered by the treating physician/practitioner may not change the diagnostic test or perform an additional diagnostic test without a new order. This policy is intended to prevent the practice of some testing facilities to routinely apply protocols which require performance of sequential tests.

When the testing facility or radiologist determines that an ordered diagnostic test is clinically inappropriate or suboptimal and that a different diagnostic test (e.g. MRI instead of CT) should be performed, can the testing facility or radiologist modify the order?

No, the interpreting physician/testing facility may not perform the unordered test until a new order from the treating physician/practitioner has been received.

What happens when the results of an ordered diagnostic test are normal and the interpreting physician believes that another diagnostic test should be performed (e.g., a renal sonogram was normal and based on the clinical indication, the interpreting physician believes an MRI will reveal the diagnosis)?

An order from the treating physician must be received prior to performing the unordered diagnostic test.

Are there any exceptions to the rules for modifying test orders?

Yes, there are four exceptions to the rules. These exceptions apply to an interpreting physician of a testing facility who furnishes a diagnostic test to a beneficiary who is not a hospital inpatient or outpatient. The interpreting physician must document accordingly in his/her report to the treating physician/practitioner.

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The first exception concerns additional testing. If the testing facility cannot reach the treating physician/practitioner to change the order or obtain a new order and documents this in the medical record, then the testing facility may furnish the additional diagnostic test if **all** of the following criteria apply:

- ◆ The testing center performs the diagnostic test ordered by the treating physician/practitioner;
- ◆ The interpreting physician at the testing facility determines and documents that, because of the abnormal result of the diagnostic test performed, an additional diagnostic test is medically necessary;
- ◆ ***Delaying the performance of the additional diagnostic test would have an adverse effect on the care of the beneficiary;***
- ◆ The result of the test is communicated to and is used by the treating physician/practitioner in the treatment of the beneficiary; and
- ◆ The interpreting physician at the testing facility documents in his/her report why additional testing was done.

Examples:

- ◆ The last cut of an abdominal CT scan with contrast shows a mass requiring a pelvic CT scan to further delineate the mass;
- ◆ A bone scan reveals a lesion on the femur requiring plain films to make a diagnosis.

The second exception applies to test design. Unless specified in the order, the interpreting physician may determine, without notifying the treating physician/practitioner, the parameters of the diagnostic test (e.g., number of radiographic views obtained, thickness of tomographic sections acquired, use or non-use of contrast media

The third exception is clear error. The interpreting physician may modify, without notifying the treating physician/practitioner, an order with clear and obvious errors that would be apparent to a reasonable layperson, such as the patient receiving the test (e.g., x-ray of wrong foot ordered).

The fourth exception is patient condition. The interpreting physician may cancel, without notifying the treating physician/practitioner, an order because the beneficiary's physical condition at the time of diagnostic testing will not permit performance of the test (e.g., a barium enema cannot be performed because of residual stool in colon on scout KUB; PA/LAT of the chest cannot be performed because the patient is unable to stand). When an ordered diagnostic test is cancelled, any medically necessary preliminary or scout testing performed is payable.

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