

<b>DEPARTMENT:</b> Regulatory Compliance Support	<b>POLICY DESCRIPTION:</b> Physician Supervision Requirements for Diagnostic Tests Performed in Freestanding Entities
<b>PAGE:</b> 1 of 3	<b>REPLACES POLICY DATED:</b> 3/1/2006 (GOS.OSG.010), 3/6/06, 7/1/09, 10/15/10, 1/1/16
<b>EFFECTIVE DATE:</b> December 1, 2021	<b>REFERENCE NUMBER:</b> REGS.OSG.010
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

<p><b>SCOPE:</b> All personnel responsible for performing, supervising, or monitoring coding/claims process for Non-Hospital entities including, but not limited to:</p> <table border="0"> <tr> <td>Administration</td> <td>Independent Diagnostic Facilities (IDTFs)</td> </tr> <tr> <td>Advanced Practice Professionals (APPs)</td> <td>Nursing Staff</td> </tr> <tr> <td>Ambulatory Surgery Division (ASD)</td> <td>Office Staff</td> </tr> <tr> <td>Coding/Billing</td> <td>Ordering/Referring/Rendering Physicians</td> </tr> <tr> <td>Employed and Managed Physicians</td> <td>Parallon</td> </tr> <tr> <td>Ethics and Compliance Officers (ECOs)</td> <td>Physician Service Center (PSC)</td> </tr> <tr> <td>Freestanding Imaging Centers</td> <td>Physician Services Group (PSG)</td> </tr> <tr> <td>Freestanding Radiation Oncology Centers</td> <td>Practice Management</td> </tr> </table>	Administration	Independent Diagnostic Facilities (IDTFs)	Advanced Practice Professionals (APPs)	Nursing Staff	Ambulatory Surgery Division (ASD)	Office Staff	Coding/Billing	Ordering/Referring/Rendering Physicians	Employed and Managed Physicians	Parallon	Ethics and Compliance Officers (ECOs)	Physician Service Center (PSC)	Freestanding Imaging Centers	Physician Services Group (PSG)	Freestanding Radiation Oncology Centers	Practice Management
Administration	Independent Diagnostic Facilities (IDTFs)															
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<p><b>PURPOSE:</b> To outline physician supervision and oversight requirements for Non-Hospital entities such as an IDTF or Physician Clinic/Group Practice. <b>This policy is not applicable to Ambulatory Surgery Centers since the diagnostic services they provide are integral to surgical procedures performed by physicians.</b></p>																
<p><b>POLICY:</b> According to CMS rules, diagnostic tests furnished in a Freestanding Outpatient Center must be under the appropriate level of supervision by a physician. Advanced Practice Professionals, APPs, (that is, clinical nurse specialists, clinical psychologists, clinical social workers, nurse-midwives, nurse practitioners, and physician assistants) who furnish services that would be physician services if furnished by a physician, and who are operating within the scope of their authority under State law and within the scope of their Medicare statutory benefit, may be treated the same as physicians treating beneficiaries for the purpose of providing "physician supervision" for diagnostic tests performed in physician offices, hospital outpatient departments and provider-based facilities. However, in the IDTF setting additional physician supervision and oversight requirements exist and APPs cannot supervise diagnostic tests.</p>																
<p><b>PROCEDURE:</b></p> <ol style="list-style-type: none"> <li>IDTF and Physician Clinic/Group Practice administrative staff must determine the level of supervision required for the procedures they perform. This may be accomplished by comparing the CPT code for the procedure to the National Medicare Physician Fee Schedule Relative Value file for the current year. The column entitled "Physician Supervision of Diagnostic Procedures" contains a value which corresponds to the various supervision requirements. The relative value file can be accessed on the CMS website under the Physician Fee Schedule section.</li> <li>IDTF and Physician Clinic/Group Practice staff must implement a process to ensure the physician supervision requirement is met and documented for each test performed in the center. This must include development and maintenance of a listing of the diagnostic</li> </ol>																

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procedures performed in the center with the corresponding required physician supervision level.

3. In the IDTF setting physician supervision requirements are more stringent and additional requirements apply. The IDTF process must ensure the following requirements are met:
  - a. The supervising physician must demonstrate and attest to having proficiency in the performance and interpretation of each type of diagnostic procedure performed in the IDTF. Proficiency may be documented by certification in specific medical specialties or sub-specialties or by criteria established by the contractor.
  - b. The IDTF must maintain documentation (such as a log) of sufficient physician resources during all hours of operations to ensure the required physician supervision is furnished.
  - c. The supervising physician must personally furnish the level of supervision required regardless of where the procedure is performed. In the case of procedures requiring direct supervision, the supervising physician may oversee concurrent procedures.
  - d. The supervising physician must be enrolled in the Medicare program, but is not required to be employed by the IDTF.
  - e. Patient medical record documentation must clearly indicate that direct or personal supervision was performed when required for the specific test.
4. In the IDTF setting there is also an additional physician oversight requirement. The IDTF must ensure one or more supervising physicians are responsible for the direct and ongoing oversight of the following:
  - a. The quality of the testing performed;
  - b. The proper operations and calibration of the testing equipment;
  - c. The qualification of non-physician personnel who use the equipment; and
  - d. Each supervising physician must be limited to providing general supervision to no more than three IDTF sites.

**DEFINITIONS:**

**Direct Supervision:** In the office setting, a physician (or other supervising practitioner) must be present in the office suite and immediately available to furnish assistance and direction throughout the performance of the procedure. It does not mean that the physician (or other supervising practitioner) must be present in the room when the procedure is performed.

**Freestanding Outpatient Center:** For purposes of this policy, this is an entity that provides outpatient tests/services that is not a department of a hospital, remote location of a hospital, satellite facility, or provider-based entity.

**General Supervision:** The procedure is furnished under a physician’s overall direction and control; however, the physician’s presence is not required during the performance of the procedure. Under general supervision, the training of the nonphysician personnel who actually

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perform the diagnostic procedure and the maintenance of the necessary equipment and supplies are the continuing responsibility of the physician.

**Independent Diagnostic Testing Facility (IDTF):** 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.

**Personal Supervision:** A physician must be in attendance in the room during the performance of the procedure.

**Physician Clinic/Group Practice:** A freestanding physician office that provides diagnostic and/or therapeutic services.

**REFERENCES:**

1. Federal Register [42 CFR 410.32, 410.33, 410.34](#)
2. CMS Transmittals [B-01-28](#) and [251](#) and [51](#)
3. [Medicare Learning Network \(MLN\) IDTF Fact Sheet, ICN 909060](#)