“Incident to” Billing

Presented by:
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Outline

1. Who Are Non-Physician Practitioners?
2. What are “incident-to” rules?
3. What are the 3 supervision categories?
4. Diagnostic Testing & Hospital Services
Who are Non-Physician Practitioners?

- Physician Assistant
- Nurse Practitioner, Clinical Nurse Specialist
- Certified Nurse Anesthetist
- Midwife
- Technician (Lab, echo, etc)
- Medical Assistant
- Physical Therapist, Occupational Therapist
- Clinical Psychologist
- Clinical Social Worker
- RN
Utilization of Ancillary Providers

In Private Practice, NPP’s are utilized in a variety of ways:
1. To support physicians
2. To expand medical services
3. To educate patients
4. To build their own patient population
5. To create/develop disease management programs
Compensation of Ancillary Providers

- Salary or Productivity based?
- Benefits
- Involvement in practice decision-making
“...any individual...acting under the supervision of a physician, regardless of whether...an employee, leased employee, or independent contractor of the physician...(or) the legal entity that employs or contracts with the physician....”

Medicare Carrier Manual [Section 2050]
“...the physician personally...supervising the auxiliary personnel must have a relationship with the legal entity billing....”

“...incident to services or supplies must represent an expense incurred by the physician or legal entity billing....”

Medicare Carrier Manual [2050]
Defined in state regulations for each type of NPP

Dictates which services the NPP is legally authorized to perform under the state law

Even if an NPP is permitted under the scope of practice to perform a service, if it is not covered by Medicare, then the service will not be paid
State laws address the extent to which physician must be on premises or available by phone.

Medicare coverage requires compliance with state licensure regulations.
Examples of types of NPP Services that NPP’s may provide (if permitted within their scope of practice by state law):

- Injections, changing dressings
- Physical exams
- Minor surgery, assisting in major surgery
- Setting casts for simple fractures
- Interpreting x-rays
- “Other activities involving evaluation or treatment of a patient’s condition.”
Two Billing Methods

- **NPP’s own UPIN/NPI**
  - Requires applying to Medicare
  - Some third-party payers REQUIRE that NPP’s become credentialed by the payer

- **Incident-to**
  - Applies to Medicare only
Many NPP’s can obtain their own UPIN/NPI:

- Nurse Practitioners
- PA’s
- Clinical nurse specialists
- Certified RN Anesthetists
- Physical Therapists
- Occupational Therapists
- Clinical psychologists
- Licensed clinical social workers

...and more
To be covered incident-to the services of a physician, the service must be:

1. An integral, although *incidental* part of the physician’s professional service;
2. Commonly rendered without charge or included in the physician’s bill;
3. Of a type that is commonly furnished in a physician’s office;
4. Furnished under physician’s direct personal supervision; and
5. Furnished by the physician or an individual who qualifies as an employee of the physician.


“**Incidental**” means: “...liable to occur... naturally belonging to... subordinate action or episode that actually belongs to or is consequent to something else... naturally attached; accompanying....”

“**Integral**” means: “...wholeness, integrity, completeness... ‘integrate’ = to make up as a whole.”

--Chambers 20th Century Dictionary (Cambridge)
To be covered incident-to the services of a physician, the service must be:

1. An integral, although *incidental* part of the physician’s professional service

Means that the services or supplies are furnished as an integral, although incidental part of the physician’s PERSONAL professional services in the course of the diagnosis or treatment of an injury or illness.
Definition of “Incident-To”

To be covered incident-to the services of a physician, the service must be:

1. An integral, although *incidental* part of the physician’s professional service;

2. **Commonly rendered without charge or included in the physician’s bill**
   
   *Means that services (or supplies) usually included in the physician’s service cannot be billed separately (i.e. gauze, ointment, etc.)*
Definition of “Incident-To”

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1. An integral, although *incidental* part of the physician’s professional service;
2. Commonly rendered without charge or included in the physician’s bill;
3. Of a type that is commonly furnished in a physician’s office;
4. **Furnished under physician’s direct personal supervision**

    *Means that the MD must be present in the office suite and immediately available to provide assistance and direction throughout the time the service is being rendered to the patient*
Definition of “Incident-To”

To be covered incident-to the services of a physician, the service must be:

1. An integral, although *incidental* part of the physician’s professional service;
2. Commonly rendered without charge or included in the physician’s bill;
3. Of a type that is commonly furnished in a physician’s office;
4. Furnished under physician’s direct personal supervision; and
5. Furnished by the physician or an individual who qualifies as an employee of the physician

*Employee or leased employee of the physician or the group practice*
Caveats

- Physicians cannot perform services “incident-to” other physicians.
- There must be subsequent services by the physician of a frequency that reflects her continuing active participation in and management of the course of treatment.
- NPP’s who provide services in skilled nursing facilities should use their own provider numbers for billing.
Incident to Billing: Homebound Patients

MD “direct supervision” not required in underserved areas:

- Injections
- Venipuncture
- EKGs
- Therapeutic exercises
- Insertion and sterile irrigation of a catheter
- Changing of catheters and collection of catheterized specimen for urinalysis and culture
- Dressing changes
- Replacement / insertion of nasogastric tubes
- Removal of fecal impaction / enemas
- Sputum collection
- Parafin bath therapy
- Teaching and training: colostomy, ileostomy, permanent tracheostomy; testing urine, care of feet (diabetic only); blood pressure monitoring

---Medicare Carriers Manual [2051]---
The NPP’s physician supervisor is responsible for the overall direction and management of the NPP’s professional activities and for assuring that services are medically appropriate.

Must be immediately available to NPP.

The supervising physician will co-sign the NPP’s notes.
**Supervision Requirements**

**General Supervision**
Services furnished under MD’s overall direction & control. MD presence not required. MD is responsible for training and maintaining equipment.

**Direct Supervision**
MD present in office suite (not room) & immediately available throughout service.

**Personal Supervision**
MD must be in attendance in the room during the service/procedure.
ILLUSTRATION: Diagnostic Testing

Supervision Requirements

General Supervision
93000: EKG
93303: Transthoracic Echo
78262: GE Reflux Study
74710: Pelvimetry

Direct Supervision
93015: Stress Test
74150: CT Abdomen
74250: X-ray; small intestines

Personal Supervision
93312: TEE
93501: Cath
74190: Peritoneogram
74740: Hysterosalpingogram
Documentation Requirements for NPP’s

Evaluation & Management Codes

- Chief Complaint
- History
- Exam
- MDM
Based on experience, it is highly recommended that the supervising physician add a statement in the medical record:

“I have reviewed and agree with the diagnosis and treatment plan for [patient].

J. Smith, M.D.”
Practices utilizing an Electronic Medical Record should review your state guidelines regarding electronic signatures.

Services provided “incident-to” should be co-signed, even in an EMR, by forwarding the NPP’s documentation to the MD for review and co-signature.
Medicare

- Imposes supervision requirements on NPP’s who perform services in the office setting
- These services are an integral part of (although “incidental”) to the physician’s personally rendered services to the patient
- A relationship between patient and physician MUST exist PRIOR to the ancillary provider billing for patient services
Medicare Rules for Billing

- A physician in the practice must be on the premises
  - In the office suite
  - Immediately available to ancillary provider

- This physician on site need not be the patient’s doctor (as long as there is documentation that the patient’s physician is consistently involved in and reviewing care and decision-making.)

- The physician on site “supervising” can be whomever is in the suite at the time of the patient encounter

- Ancillary provider can be an employee, leased employee or sub-contractor
<table>
<thead>
<tr>
<th>Incident-To</th>
<th>Box 24K</th>
<th>Box 33</th>
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<tbody>
<tr>
<td>Under NPP Provider’s Own UPIN</td>
<td>MD UPIN</td>
<td>Group Provider#</td>
</tr>
<tr>
<td></td>
<td>NPP UPIN</td>
<td>Group Provider#</td>
</tr>
</tbody>
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**NOTE:** This will change when the CMS1500 Form changes to incorporate field for NPI
Exceptions to “Incident To”

- Services provided in hospital
- Diagnostic testing
- Services rendered during global period of a procedure
NPPs may see New In- or Out-patients and patients in ER and bill under their own UPIN/NPI with GENERAL MD SUPERVISION

- If MD sees pt in a.m. and NPP sees pt in p.m., then either can bill for the service
- If NPP conducts face-to-face, then ONLY the NPP can bill

Diagnostic testing is not a "physician service" and also has supervision rules.

The level of supervision of each test is assigned by CPT.

List of diagnostic tests (by CPT code) and supervision requirements are available on Medicare web-site.
NPP may conduct routine post-op care without an MD present (hospital and/or office) [unless required by state law]

- Reason: services included in global period are not considered E&M visits

Billed under physician (and group practice where applicable) name & number
FAQ’s

1. Can an NPP see a new patient under the incident-to rules?
2. If a patient reports a new medical problem during an office visit with an NPP, what action is necessary?
3. Must an MD be in the office suite when an NPP sees a patient under his/her UPIN?
4. Are NPP’s limited to using lower-level E&M codes?
5. Can an NPP read x-rays under the “incident to” rule?
6. Can a PA see hospitalized patients under his/her own UPIN?

7. The physician is called to the hospital during office hours. Can the NPP still bill “incident-to”?

8. Physician practice is comprised of academic teaching staff MD’s. Practice uses residents & hospital staff nurses to care for patients. Can these services be billed “incident-to”? 
Depending upon your particular specialty and types of services / procedures performed, you may need to obtain additional specific information from Medicare and other third party payers!

Research is critical before billing for ancillary providers!
VantagePoint HealthCare Advisors, LLC

- Operational Assessment
- Training & Education
- Accounts Receivable Management
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- Revenue Recovery
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