



## NP or PA as Billing Provider

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*100% FOR CHILDREN*

## Phoenix Children's Hospital



- Arizona's only children's hospital recognized by U.S. News & World Reports Best Children's Hospitals.
- One of the largest children's hospitals in the country with 433 licensed beds.
- Provides world-class care across more than 75 pediatric specialties, including 6 Centers of Excellence.
- Employs 335+ physicians & 91 NPs/PAs.



## The NP or PA as the Billing Provider



National physician  
shortage



High level review of  
regulations



Documentation  
support of billing  
provider



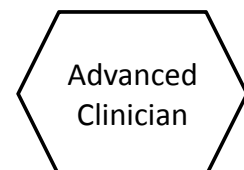
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## *What's in a name?*

Advanced  
Practice  
Provider  
(APP)

Nonphysician  
Provider (NPP)

Nurse Practitioners (NP)  
Physician Assistants (PA)  
& other nonphysician providers



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## PA & NP Definitions

### Physician Assistant

- Nationally certified and state-licensed medical professional.
- Must have graduated from an accredited PA educational program; or
- Must have passed the national certification examination administered by NCCPA; and
- Must be licensed by the state to practice as a PA.

### Nurse Practitioner

- Independently licensed healthcare professional.
- Must possess a master's degree; and
- Must be a RN, authorized by the state as an NP in which the services are furnished; and
- Must be certified as an NP by a recognized national certifying body.

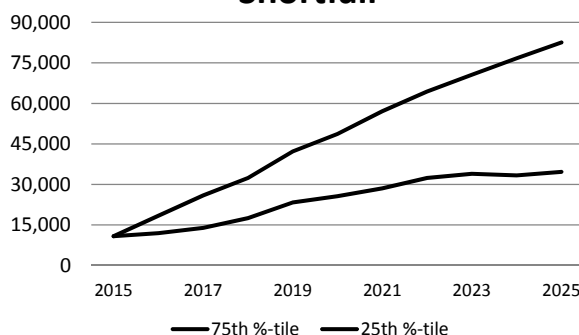


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## National Physician Shortage

### Projected Total Physician Shortfall



### Primary drivers of increasing physician demand:

Population growth & aging

### Needed to address the shortage:

Innovation in delivery, greater use of technology, efficient use NPs & PAs, and increase in federal support for residency training.



Source: "2017 Update: The Complexities of Supply and Demand: Projections from 2015 to 2030." AAMC

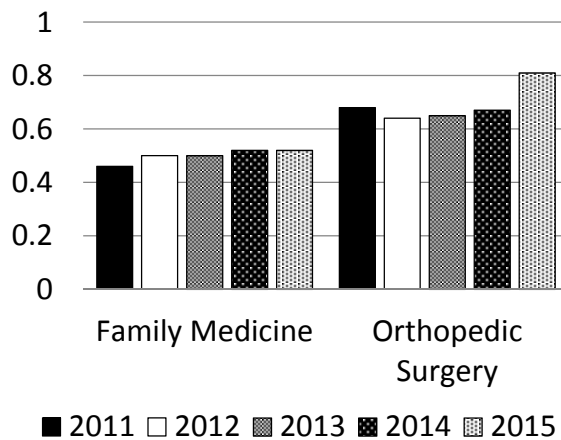
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## APP Utilization

### Average Salaries

Position	Median Salary
Nurse Practitioner	\$ 104,740
Physician Assistant	\$ 98,180
Family Medicine Physician	\$ 207,000
Orthopedic Surgeon	\$ 443,000

### APP per Physician FTE



Source: MGMA DataDive Pro Cost and Revenue 2016 & Medscape Pediatric Comp Report 2016 <sup>7</sup>



## High Level Review of Regulations

Federal – CMS “Incident-To” billing

State Laws & Boards

Payer Specific rules

Facility - Medical Staff bylaws



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## “Incident-To” services

*“...those services that are furnished incident-to physician professional services in the physician’s office... or in a patient’s home... These services are paid at 100 percent of the physician fee schedule, while services reported by the Non-Physician Practitioners are paid at 85 percent.”*



Source: CMS MLM Matters bulletin

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**Reimbursement**

Not just CMS. Most other payers also discount reimbursement if billing provider is not a physician.



Source: CMS MLM Matters bulletin

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**Location**

Not - inpatient, an outpatient hospital department, a provider-based clinic, nor in a nursing home.  
(Only Place of Service – 11 or 12)



Source: CMS MLM Matters bulletin

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**Supervision**

Physician must be in the office suite for supervision, but not physically present in the treatment room. Any physician member of the group may supervise.



Source: CMS MLM Matters bulletin

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**Expense**

NP or PA must be a direct financial expense.  
Employed, leased or independent contractor paid by the practice.



Source: CMS MLM Matters bulletin

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**Treatment**

The service must be an integral part of the patient’s treatment course. It must have been initiated by a physician at a previous encounter. The physician must stay involved in the treatment plan.



Source: CMS MLM Matters bulletin

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## “Incident-To” services

New patient visits, annual wellness visits, “Welcome to Medicare” visits or established patient visits for new problems do not qualify for “Incident-To” billing.

**Treatment**

The service must be an integral part of the patient’s treatment course. It must have been initiated by a physician at a previous encounter. The physician must stay involved in the treatment plan.



Source: CMS MLM Matters bulletin

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## “Incident-To” services *Common Pitfalls*

- Let the provider determine when it qualifies, or bill all under the APP’s own provider number?
- Physician steps in the room to say hello, all documentation is under the NP, and doesn’t otherwise qualify for “Incident-To” billing.

Split-shared visits are those performed jointly by a physician and NP/PA. If incident-to requirements are met, bill under the physician, based on documentation. If not, submit under the NP/PA.



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# Rural Health Clinic Services Act of 1977

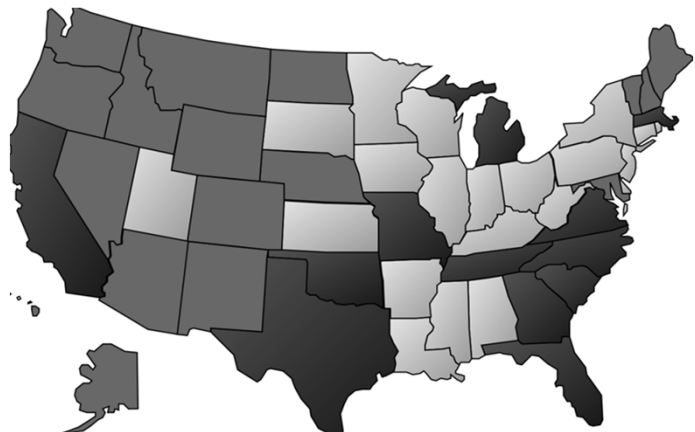
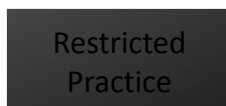
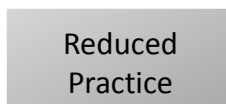
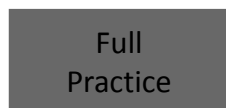


- Made *freestanding rural clinics* staffed by NPs and PAs eligible for *government payments* without meeting physician supervision requirements.
- RHC must employ one NP/PA who is working at the clinic at least 50% of the time that the clinic is open as an RHC.
- Encounter for NP/PA is then paid at the physician rate.



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# Nurse Practitioner State Practice Environment



Source: American Academy of NPs

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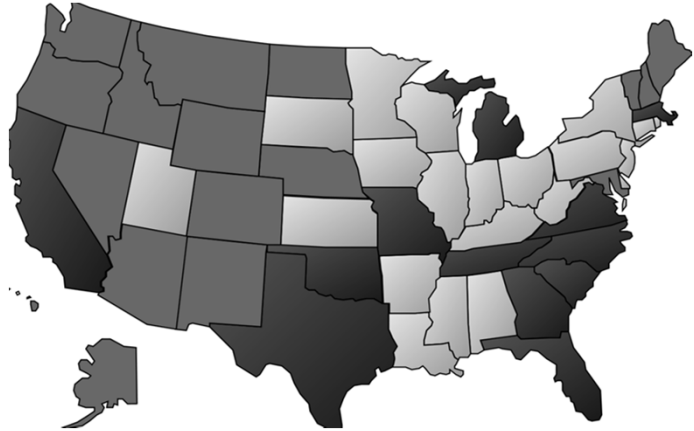
## Nurse Practitioner State Practice Environment

Full  
Practice

Reduced  
Practice

Restricted  
Practice

May evaluate patients, diagnose, order and interpret diagnostic tests, initiate and manage treatments, and prescribe medications, under the licensure authority of the state board of nursing.



Source: American Academy of NPs

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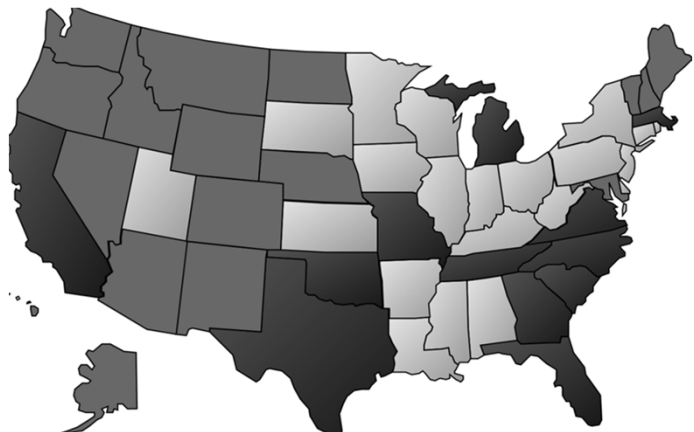
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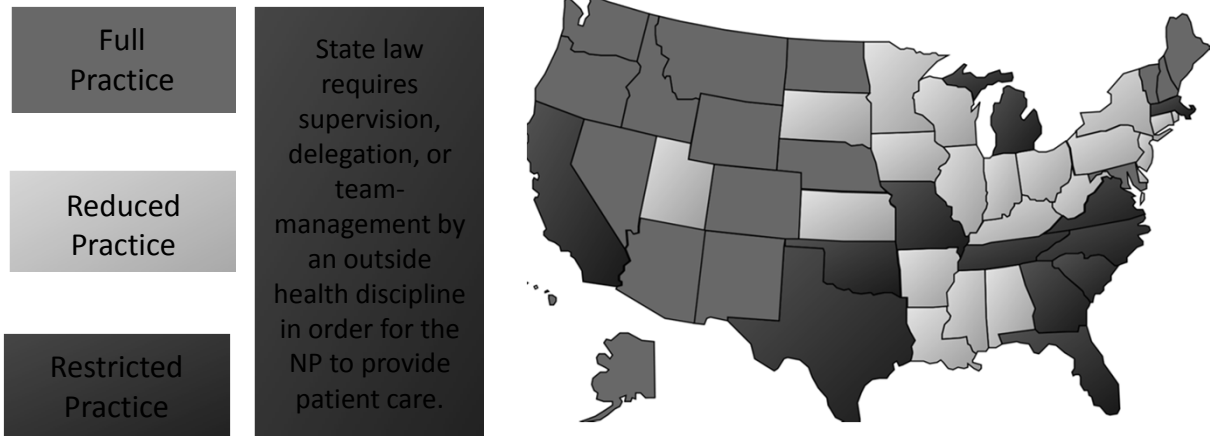
State law requires a regulated collaborative agreement, or limits the setting or scope of one or more elements of NP practice.



Source: American Academy of NPs

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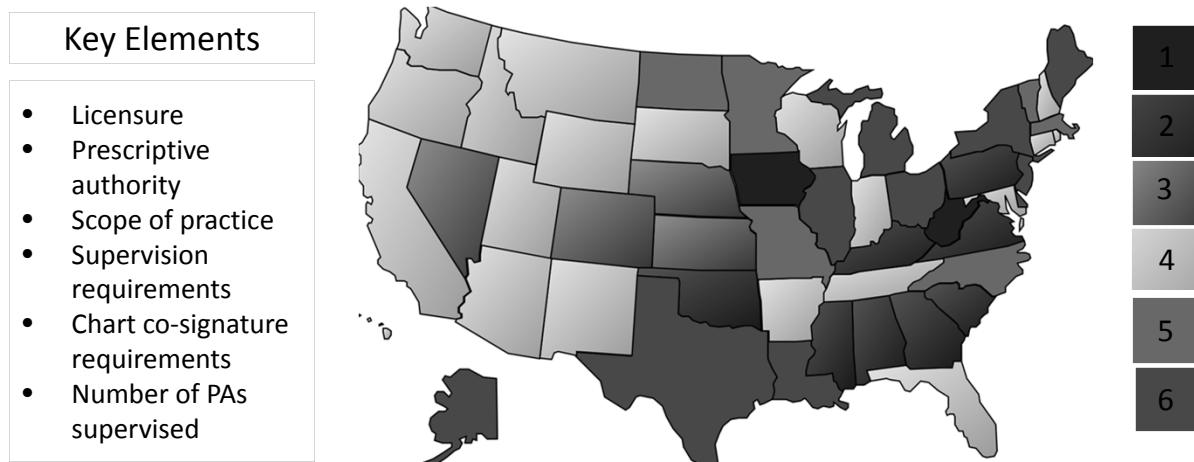
## Nurse Practitioner State Practice Environment



Source: American Academy of NPs

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## Number of Key Elements in State PA Law



Source: American Academy of PAs

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## Payer Policies for NPs & PAs

- Payer Credentialing - Successful enrollment in health plans as a participating provider through verification of experience and expertise.
  - Check that NP/PAs are credentialed with all contracted payers to bill independently.
- Payers tend to follow CMS rules.
  - TriCare -- NP/PA cannot provide initial consults.
  - Specific payer rules for services.
    - Receive an occasional denial for services not provided by a physician.
    - Review on a case-by-case basis for an ability to appeal the denial.
    - Appeal to the payer to request a rule change.



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## Billing Rules under AHCCCS (Arizona Medicaid)

- “Incident-To” billing is not allowed. Each practitioner must bill for only those services s/he provided. No practitioner may bill for services provided by another practitioner.

*Since AHCCCS is PCH's primary payer and we will not set rules on a payer by payer basis, PCH bills all visits using the AHCCCS rules.*



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## AHCCCS References

*"No provider may bill with another provider's ID number, except in locum tenens situations...."*

AHCCCS Participating Provider Agreement General Terms and Conditions

*"Hospitals and clinics may not bill AHCCCS Administration or its Contractors for physician and mid-level practitioner services using the hospital or clinic NPI number. Physicians and mid-level practitioners must register with AHCCCS and bill for services under their individual NPI numbers."*

AHCCCS Fee for Service Provider Manual

*"The Office of Inspector General will continue auditing claims and/or encounters to identify this improper activity which may result in the denial of claims, recoupment of funds or the issuance of Civil Monetary Penalties."*

Arizona Office of Inspector General, 12/13/2012, regarding NP/PA as rendering provider billing under physician NPI



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## NP/PA Arizona Law

	<b>Nurse Practitioner</b> (AZ Board of Nursing Regulations R19-508 et seq.)	<b>Physician Assistant</b> (A.R.S. 32-2531 to 32-2535)
Requires physician supervision*	NO	YES (not required to be onsite if available by phone)
Must meet weekly with supervising physician	NO	YES
Supervising ratios	N/A	Physician may supervise only 4 PAs who are working at same time.
Authorized to prescribe (Schedule II-V requires DEA registration)	YES	YES, with delegation by supervising physician, prescriptions include supervising physician info
State regulatory board	Arizona State Board of Nursing	Arizona Regulatory Board of Physician Assistants
AHCCCS allows to act as non-physician surgical first assists	YES	YES
AHCCCS reimbursement as % of physician rate	90%	90%

\* PCH Medical Staff policies have historically required that NPs have sponsoring physicians. There is no such requirement in Arizona law.

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## Hospital Medical Staff Rules



- NPs and PAs must be credentialed and privileged through the Medical Staff process.
- Do the medical staff bylaws or rules require a sponsoring physician, physician supervision, or daily signature of notes by a physician?
- Are there hours of experience required prior to providing a particular service or seeing patients independently?



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## Documentation Support of the Billing Provider

Supporting documentation must demonstrate that the rendering provider performed the primary components of the visit.

- History of present illness
- Chief complaint
- Physical exam findings and medical decision making

*The NP/PA (or the RN, MA, etc.) may perform and document the review of systems and past medical, family and social history, and the rendering provider may incorporate these into their documentation.*



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## Billing Rules for Split-Shared Visit

(when both a physician and a NP/PA provide services during the visit)

### ***Permissible to bill under physician NPI***

- ✓ The supporting documentation demonstrates that the physician performed the primary components of the visit (i.e., history of present illness, chief complaint, physical exam findings and medical decision making).

### ***Must Bill under NP/PA NPI***

- ✗ Notes are documented by the NP/PA for E/M services, and later reviewed and co-signed by the physician.
- ✗ Documentation is completed only by the NP/PA or minimally by the physician.
- ✗ "I have personally seen and examined the patient independently, reviewed the PA's Hx, exam and MDM and agree with the assessment and plan as written." signed by the physician (i.e., "attestation").

## Hospitalist Subsequent Visits



- Represents service provided for the entire day.
- Only one subsequent visit will be reimbursed per day, even if multiple hospitalist providers care for the patient in that day.
- Avoid duplicate billing by determining in advance who will be the billing provider.
- Billing provider should be supported by documentation.
- Level should be based on all services rendered by hospitalist providers on the same calendar day.
- Create edit report to identify duplicate charges for same specialty, same patient, same date of service.

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