

Understanding Medicare Part B incident to billing

by Neha Agrawal

As the number of nonphysician practitioners (NPPs) hired by physicians' offices continues to grow, it is important to understand Medicare's incident to billing policies. NPPs who provide patient services and report these services to Medicare using their national provider identification (NPI) number are reimbursed at 85 percent of the Medicare physician fee schedule (MPFS). NPPs who provide patient services incident to surgical services can report these services to Medicare under the surgeon's NPI, and the surgical practice is paid 100 percent of the MPFS.

This column describes incident to services in detail, including Medicare requirements for billing and examples of how surgeons can successfully bill.

What are incident to services?

Incident to services are services rendered to a patient by a provider other than the physician treating the patient more broadly, that are

*Department of Health and Human Services. Centers for Medicare & Medicaid Services. *Medicare Claims Processing Manual*. Chapter 12. Physicians/Nonphysician Practitioners. Rev. 3476. Available at: www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c12.pdf. Updated March 11, 2016. Accessed June 9, 2016.

†Department of Health and Human Services. Centers for Medicare & Medicaid Services. *Medicare Claims Processing Manual*. Chapter 15. Covered Medical and Other Health Services. Rev. 221. Available at: www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf. Updated March 11, 2016. Accessed June 9, 2016.

an integral, although incidental, part of the patient's normal course of diagnosis or treatment of an injury or illness. These services are billed as Medicare Part B services, as if the original physician personally provided the care using that physician's NPI number. For example, if a nurse practitioner treats a simple fracture for an established patient with no new health care problems and the incident to requirements have been met, that service may be billed under the supervising physician's NPI, and the practice would receive 100 percent of the MPFS. Incident to services might include evaluation and management services, cast setting, minor surgery, and X-ray review, among others.

Who are NPPs?

NPPs are health care professionals who are licensed to provide specific health care services. For Medicare purposes, the term includes the following: nurse practitioners and clinical nurse specialists, certified nurse midwives, physician assistants (PAs), audiologists, nurse anesthetists, clinical social workers, physical and occupational therapists, and registered dietitians/nutrition professionals.* These practitioners must have a valid employment arrangement with the billing physician; in other words, staff who provide the services must represent an

expense to the physician or to the legal entity that is billing for services. As a condition of Medicare payment, the 2016 MPFS final rule clarifies that auxiliary personnel who provide incident to services must comply with all applicable federal and state laws, and cannot be excluded by the Office of Inspector General from Medicare, Medicaid, and all other federally funded health care programs.

What are the requirements to bill incident to services?

For the purposes of billing Medicare, incident to services are defined as the following:†

- An integral, although incidental, part of the physician's professional service
- Commonly rendered without charge or included in the physician's bill
- Of a type that are commonly furnished in physicians' offices or clinics
- Furnished by the physician or by auxiliary personnel under the physician's direct supervision

The patient record also should document the essential requirements for incident to services. The surgeon must have provided a direct, personal, and professional service that

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initiated a course of treatment, and the surgeon must perform subsequent services to demonstrate continuing active participation in and management of the course of treatment.[‡] Integral, although incidental, services are those that are part of the normal course of treatment of a diagnosis or illness. Care provided to a new patient or an established patient with a new health care condition may not be billed as an incident to physician service. In this case, the practice should report that service under the NPP's NPI number.

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CMS defines direct supervision as the physician being present in the office suite and immediately available so as to provide assistance and direction throughout the time the health care service is performed. Incident to services may not be billed if the supervising surgeon is available by telephone or is elsewhere in the building.[†] Furthermore, in the 2016 MPFS, CMS clarifies that in cases

[†]Department of Health and Human Services. Centers for Medicare & Medicaid Services. *Medicare Claims Processing Manual*. Chapter 15. Covered Medical and Other Health Services. Rev. 221. Available at: www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf. Updated March 11, 2016. Accessed June 9, 2016.

[‡]Department of Health and Human Services. Centers for Medicare & Medicaid Services. MLN Matters "Incident to" Services. SE0441. Available at: www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/se0441.pdf. Updated April 9, 2013. Accessed June 9, 2016.

where the supervising physician is someone other than the referring, ordering, or treating practitioner, only the supervising physician may bill Medicare for the incident to service.

Incident to services must also be provided in a nonhospital/non-skilled nursing facility, such as a surgeon's office or a surgeon-directed clinic setting. If a surgical group joins a hospital as part of an off-campus outpatient hospital, even if the group is in the same location it was in before joining the hospital, incident to services can no longer be reported to Medicare. In this situation, the place of service is no longer the office, but a hospital outpatient department.

What are examples of incident to services and appropriate billing?

Scenario 1

The surgical patient has an established diagnosis and plan of care with no new problems. Incident to requirements have been met and a properly credentialed PA reads an X ray for the patient at the surgeon's office. This service may be billed under the supervising surgeon's NPI number.

Scenario 2

The surgical patient has an established diagnosis and plan of care, but has developed a new health care problem. Incident

to requirements have been met and a properly credentialed PA evaluates and treats the patient for the new problem. This service must be billed under the PA's NPI number.

Scenario 3

The surgical patient has an established diagnosis and plan of care, but has a new problem. Incident to requirements have been met and a properly credentialed PA evaluates the patient with the surgeon available in the office suite. The documentation supports a face-to-face encounter between the surgeon and patient, and the surgeon initiates a course of treatment. This service (evaluation of the patient) may be billed under the supervising surgeon's NPI number.

Scenario 4

The surgical patient has an established diagnosis and plan of care with no new problems. A PA evaluates the patient in a hospital outpatient department setting. This service must be billed under the PA's NPI number. ♦