Reimbursement and APPs: What Every Practitioner Should Know

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What Are APPs?

- Advanced Practice Providers
- Also known as Mid-Level Providers (MLPs) or Non-Physician Practitioners (NPPs)
- For billing purposes, generally refers to nurse practitioners (NPs) and physician assistants (PAs) but can also refer to clinical nurse specialists, clinical nurse mid-wives, and clinical psychologists
- Keep in mind licensure and state scope of practice when billing for services
Topics

• Medicare Payment for APPs
  – Direct billing
• “Incident To” Guidelines
  – Billing under MD name/NPI
• E/M Split or Shared Visit Guidelines
  – Billing under either APP or MD
Medicare Payment for APPs

- Payment is 85% of the physician fee schedule allowed amount for professional services
- Direct billing under name/NPI of the APP
- Requires enrollment via CMS 855I and reassignment to billing group (i.e., employer)
- APPs may not supervise diagnostic tests in the office setting but can personally perform them
  - Not defined as physicians under 1861(r) of SSA
- Services can be provided “incident to” the services of an APP; paid at lesser 85% rate
“Incident To” Guidelines

- 42 CFR § 410.26: “Services and supplies incident to a physician’s professional services”
- To be covered as “incident to” the services must be:
  - Integral, although incidental part of the physician’s professional service
  - Of a type commonly furnished in an office and by the physician
  - Furnished under the physician’s **direct supervision**
  - Furnished by an employee of the physician
“Incident To” Guidelines

• Is a “catch all” coverage option for services not otherwise covered under a specific benefit category
• Services of auxiliary personnel: nurses, technicians, and therapists
• Services of certain NPPs
  – Licensed by the States under various programs to assist or act in the place of the physician
  – Examples: certified nurse midwives, clinical psychologists, clinical social workers, physician assistants, nurse practitioners, and clinical nurse specialists
“Incident To” Guidelines

• Services performed by NPPs incident to a physician’s professional services may include:
  – Services ordinarily rendered by a physician’s office staff person (e.g., medical services such as taking blood pressures and temperatures, giving injections, and changing dressings)
  – Services ordinarily performed by the physician such as minor surgery, setting casts or simple fractures, reading x-rays, and other activities that involve evaluation or treatment of a patient’s condition

• NPP services must meet all “incident to” requirements, including direct supervision by the physician, even if service is within the NPP’s scope of practice
“Integral Although Incidental”

- “Such a service or supply could be considered to be incident to when furnished during a course of treatment where the physician performs an initial service and subsequent services of a frequency which reflect his/her active participation in and management of the course of treatment. (However, the direct supervision requirement must still be met with respect to every non-physician service.)”
  - No new patients
  - No established patient visits with a new condition that the physician had not already addressed
  - May need to address on patient by patient basis
  - Physician still has to actively participate in the course of treatment
“Direct Personal Supervision”

- Coverage is limited to situations in which there is “direct physician supervision” of auxiliary personnel
  - Auxiliary personnel: any individual who is acting under the supervision of a physician (employee, leased employee, or independent contractor of the physician/group)
  - Supervising physician may be an employee, leased employee or independent contractor of the billing group
- Direct supervision in the office setting does not mean that the physician must be present in the same room
- Physician must be present in the office suite and immediately available to provide assistance and direction throughout the time of services
“Direct Personal Supervision”

- For billing purposes:
  - If sole practitioner physician then the physician must be present in the office suite to bill “incident to”
  - If group practice then the physician present providing the direct supervision is the physician identified on the claim form even if another physician in the group originally saw the patient
Supervision: License vs Payment

- Not necessarily the same requirements
  - NP supervision may involve prescriptive authority guidelines
  - PA supervision may require physician review of services
- State license rules have to be met so services are covered ("in compliance with State and local laws")
- Medicare and other payer "conditions of payment" rules must also be met
  - Example: "Supervision" as defined by the State may not be the same as Medicare’s definition
Medicare vs Commercial

- “Incident to” is a Medicare term
- Commercial payers may have different requirements
  - Example: No incident to billing permitted when practitioner can be credentialed
- Commercial payers may or may not credential APPs for purposes of direct billing
Hospital Setting

• “Incident to” for professional services does not apply in the hospital setting
  – Those services would be considered part of the hospital’s facility payment

• Physician practices can make use of Medicare’s “Split/Shared E/M Service” guidelines
  – See Medicare Claims Processing Manual, Chapter 12, § 30.6.1, Selection of Level of Evaluation and Management Service
Split/Shared E/M Visit

- **Office or Physician Clinic Setting**
  - When the physician performs the E/M service the service must be reported using the physician's NPI.
  - When an E/M service is a shared/split encounter between a physician and a non-physician practitioner (NP, PA, CNS, or CNM), the service is considered to have been performed "incident to" if the requirements for “incident to” are met and the patient is an established patient.
  - If “incident to” requirements are not met for the shared/split E/M service, the service must be billed under the NPP's NPI, and payment will be made at the appropriate physician fee schedule payment.
Split/Shared E/M Visit

- **Hospital Inpatient/Outpatient/Emergency Department Setting**
  - When a hospital inpatient/hospital outpatient or emergency department E/M is shared between a physician and an NPP from the same group practice and the physician provides any face-to-face portion of the E/M encounter with the patient, the service may be billed under either the physician’s or the NPP’s NPI.
  - However, if there was no face-to-face encounter between the patient and the physician (e.g., even if the physician participated in the service by only reviewing the patient’s medical record) then the service may only be billed under the NPP’s NPI.
  - Payment will be made at the appropriate physician fee schedule rate based on the NPI entered on the claim.
Split/Shared E/M Visit

- Examples of Split/Shared Visits
  - If the NPP sees a hospital inpatient in the morning and the physician follows with a later face-to-face visit with the patient on the same day, the physician or the NPP may report the service.
  - In an office setting the NPP performs a portion of an E/M encounter and the physician completes the E/M service. If the “incident to” requirements are met, the physician reports the service. If the “incident to” requirements are not met, the service must be reported using the NPP’s NPI.
“Shared Visit” Documentation

- The NPP and the MD must be members of the same group
- Physician must still see the patient and note their findings
- Allows for both the NPP and the MD’s note to be included as support for the service billed
- Not enough for the MD to review and sign off on the NPP’s note
Hospital Documentation

• What is required of the MD to document beyond the NPP’s note?
• Guidelines are not clear – best guidelines can potentially be found in the teaching physician documentation guidelines
• May be a higher standard than what is actually needed but a “best practice” in the absence of specific guidelines
• At a minimum proof of ultimate medical decision making, and a face-to-face encounter by the physician must be documented
• Only one E/M code per day may be submitted
• If the patient sees both the NPP and the MD, only one code can be billed
• The level of service billed would combine the work and documentation of both the NPP and the MD
• Only E/M visits can be split/shared = not critical care codes
• NPPs cannot supervise residents = not teaching physicians as defined by the SSA
Compliance Considerations

- Ensure internal operational policies and procedures support the billing decisions (i.e., Medicare and other payers)
- Enroll/credential NPPs so have flexibility to direct bill in absence of meeting “incident to” guidelines
- Review medical record documentation for evidence of physician involvement and supervision
- Establish appropriate relationship and understanding when NPPs and MDs are not in the same group/have the same employer