Dermatology Coding Alert

Billing Corner: Don't Miss Out on New Incident-To Rules

Key: Supervising physicians make all the difference

You may be applauding a recent clarification on \"incident-to\" services that are relevant to your multi-physician dermatology practices.

But if the new clarifications are also causing you a fair amount of confusion, you\'re not alone.

In September 2004, the Centers for Medicare & Medicaid Services changed its incident-to requirements. Before that, carriers would often assume that the dermatologist who ordered incident-to services would also supervise them. But now, you can list two different physicians as the ordering and supervising physicians, says **Jean Acevedo** with Acevedo Consulting in Delray Beach, Fla.

Old way: Prior to this change, CMS limited the direct supervision of incident-to services to the provider who established the patient\'s care plan, says **Mary Mulholland, BSN, RN, CPC,** a reimbursement analyst for the office of clinical documentation at the University of Pennsylvania\'s department of medicine in Philadelphia.

New way: The direct supervision of incident-to services may now be provided by any member of the provider group who is physically present in the practice at the time the patient receives services, Mulholland says.

With this new clarification, the supervising physician may be an employee, a leased employee, or an independent contractor of the legal entity billing and receive payment for the services or supplies that satisfies the requirements for valid re-assignment, Mulholland says. (See CMS Manuals Publication 100-4; Chapter 1; Section 30.2.)

Example: Before, you could not charge separately when an NPP administered anesthesia to a patient for a debridement procedure. Now, as long as you meet the specific requirements of incident-to billing, you can charge separately for these services, says **dermatology coder Linda Martien, CPC, CPC-H,** with National Healthcare Review in Woodland Hills, Calif.

Don\'t Overlook Direct Supervision

CMS requires direct supervision when reporting incident-to services, Mulholland says. In the office setting, direct supervision means the dermatologist must be personally present in the office suite and immediately available to provide assistance and direction throughout the performance of the incident-to service.

Red flag: Direct supervision does not mean that the dermatologist must be present in the room when the service is performed.

Clearly Document to Justify Incident-To Services

Make sure your medical record clearly identifies the person providing the service, Mulholland says.

The physician must be able to document his presence in the office at the time the patient receives services.

Extra: If Medicare audits your practice, you may need to present copies of your dermatologists\' work schedules to demonstrate the physical presence of the supervising MD.

Your documentation must also include details of the dermatologist\'s physical presence in the office at the time the service was rendered. **Example:** Include a sentence in your notes such as, \"Dr. Smith was available for supervision,\" Mulholland says.

Be Mindful of State Law

The provider rendering the service must be practicing within his scope of practice as defined by state law, Mulholland says.

Documentation tip: You should include claims for incident-to services in the appropriate field of an electronic claim. You should include the name and the unique physician identification number (UPIN) of the dermatologist who performed the initial service for the patient and who remains involved in the care of the patient in blocks 17 and 17a of a paper claim.

You should enter the supervising dermatologist\'s nine- digit PIN in block 24K. Also, you should put the supervising dermatologist\'s signature in the appropriate field of an electronic claim or in block 31 of a paper claim. Finally, the group\'s PIN will go in Box 33.

This change reflects the realities of incident-to supervision in group practices, as many dermatology practices are, but billing can become confusing in larger practices, Acevedo says.

Idea: A practice will often have a particular physician designated as the supervisor for all incident-to services on a particular day, says **Kathy Pride**, applications specialist with San Rafael, Calif.-based QuadraMed. \"That keeps the confusion out,\" she adds.

Keep Compensation in Mind

More important, in a group practice, the billing number listed on the claim can determine which dermatologist receives compensation from the practice for those services. If a dermatologist\'s billing number goes on an incident-to claim simply because she happened to be in the office when the services happened, she\'ll get credit for services that she didn\'t order, Acevedo says. She\'ll make more money, and the dermatologist who actually ordered the services will make less.

Physicians have asked CMS how they\'re supposed to track this issue. CMS has responded that it\'s not CMS\' problem how physicians track incident-to services internally, as long as they follow the billing rules, Acevedo says.

Practices should be able to figure out a way to base payment for incident-to services on the ordering physician, rather than the supervising physician, billing experts say.

That means the compensation should be based on the contents of Box 17 rather than Box 24K or 33.