

Dermatology Coding Alert

Reader Question: Can Provider Change Tax ID?

Question: One of our physicians wants to stop billing under the group's tax ID and start billing under his own tax ID. I'm concerned that doing so will confuse the insurance companies and slow down his income, even though he has personally called some to notify them of the change and the effective date. Some payers are now asking for new W9 forms. Is there an easy way to do it?

North Dakota Subscriber

Answer: If your physician is leaving the group practice to establish his own solo practice (i.e., change his tax ID), all of your payers will need to be notified, in addition completing new paperwork and contracts for the solo practice.

Downside: Yes, the physician's income will be slowed. You also run the risk that the payer's enrollment department does not handle the paperwork properly and although he participates, he will be treated as a non-participating physician. Other billers have reported instances of the income being paid to the old group tax ID or not being paid at all. Claims can also be lost even though the correct paperwork has been submitted multiple times.

If your physician is currently part of a group, and he is leaving the group, he needs his own tax ID. Many legal issues will arise from this. For example, if he is staying in the same office suite, he will need to pay fair market rent for the office space and any staff and supplies that he will use. When patients move between the old practice and his new practice, questions will arise about which patients are considered new and which are considered established patients. If the solo practitioner has provided face-to-face professional services to a patient within the past three years, the patient would be considered to be established to the physician. Dealing with this type issue can be a much more complex change than it appears on the surface. Your best bet is probably to consult a healthcare attorney.