

Internal Medicine Coding Alert

Incident-To Billing: Follow These 3 Steps for Better Incident-To Claims

Don't forget to check your state's laws for NPP scope of services.

Having non-physician practitioners (NPPs) as part of your group can ease patient care loads, but brings its own share of billing issues. Here's your refresher on how to correctly file incident-to claims and the full fee for your NPP while staying away from extra scrutiny by the Office of the Inspector General (OIG).

Step 1: Remember the Ground Rules

According to Medicare's incident-to rules, qualified NPPs can treat patients and (under certain conditions) bill the visit using the physician's National Provider Identifier (NPI). That means the NPP will bring in 100 percent of the assigned fee for the service (more on these conditions under Step 2).

Remember: If you find the service does not meet incident-to billing requirements, you don't have to forego payment altogether in many cases. If a Medicare credentialed NPP provides the service, you can bill under his own NPI. In that case, you'll usually receive 85 percent of the normal fee found in the Medicare Physician Fee Schedule, for a nurse practitioner (NP) or physician assistant (PA), says **Jill Young, CPC, CEDC, CIMC**, owner of Young Medical Consulting in East Lansing, Mich.

Exception: If a member of your auxiliary staff, such as a medical assistant (MA), provides a service when there is no direct supervision, you cannot bill for the service, since the service does not meet incident-to requirements and auxiliary staff do not typically have their own NPI for Medicare billing purposes.

Step 2: Meet All the Criteria

Before assuming incident-to applies, verify that the visit meets a few conditions. CMS' Benefit Policy Manual (Chapter 15, Section 60) defines "incident to" as "services furnished as an integral, although incidental, part of a physician's personal professional service."

CMS pays an NPP office service reported under a physician's NPI at 100 percent, provided you meet the following requirements:

- The NPP performs the service in a non-institutional setting (such as the physician's office [place of service 11])
- The NPP performs the service within the scope of her practice and in accordance with state law
- The physician should establish the care plan for a new patient to the practice, or for any established patient with a new medical condition. NPPs may implement the established plan of care during a follow-up visit
- The physician must provide "direct supervision" when the NPP is rendering the service.

Reminder: As noted in the first criterion, do not report services rendered in a hospital setting either outpatient, inpatient, or in the emergency department as incident-to. Medicare doesn't allow it. The same goes for skilled nursing facilities.

No new problems: The physician must have seen the Medicare patient during a prior visit and established a clear plan of care. If the NPP is treating a new patient or a new problem for an established patient, or if the physician has not established a care plan for the patient, then you cannot report the visit as incident-to.

Check supervision: If a physician does not directly supervise the NPP for the encounter, the incident-to rules do not apply. Direct supervision means a supervising physician must be immediately available in the office suite during the service (assuming the service is provided in the office setting). The supervising physician, however, does not need to be the physician who initiated the treatment plan, says **Suzan Berman, CPC, CEMC, CEDC**, manager of physician auditing and compliance for West Penn Allegheny Health Systems in Pittsburgh.

Bill in the name of the physician present in the office suite and providing the direct supervision at the time of the NPP visit, regardless of whether he initially saw the patient and developed the plan of care.

"The billing must reflect this difference," Young says. "The physician supervising in the office goes in box 33. The physician who wrote the plan of care for the visit goes in 17" of CMS Form 1500. The NPP can document the name of the physician available for supervision. This is not mandatory, but will assist in eliminating any confusion if the claim is questioned.

Watch out: Be familiar with your state's laws governing the scope of practice for your different NPPs as well, Young adds. Medicare guidelines specify that "coverage is limited to the services a PA or NP is legally authorized to perform in accordance with state law," she warns.

Bottom line: "Following the incident-to rules to the letter will help combat any audit that might take place," Berman says.

Step 3: Beware of OIG Scrutiny

The OIG states in its 2013 Work Plan the intention to review physician billing to determine whether payment for incident-to services had a higher error rate than that for non-incident-to services. The agency also intends to assess Medicare's ability to monitor incident-to services, which the OIG considers "a program vulnerability in that they do not appear in claims data and can be identified only by reviewing the medical record."

"Incident-to billing is always something being scrutinized by the OIG simply by nature," Berman says. "The claims are sent in under the physician's name. The mid-level provider is 'transparent' to this process. If the carriers see more claims than normal coming in for the physician, that type of specialty, etc. they will want to investigate to see if the patients are being seen appropriately and thus being billed appropriately."

Incident-to services have been listed in the OIG Work Plan in 2001, 2003, 2004, 2007 through 2009, and came back for 2012 and 2013.

"Many of the recent overpayment, audit, civil false claims act, and even criminal cases instituted by the federal and state agencies overseeing the Medicare and Medicaid programs involve allegations of improper billing for incident-to services," says **Elin Baklid-Kunz, MBA, CPC, CCS**, a director of physician services in Daytona, Fla., during The Coding Institute's audioconference on the OIG Work Plan for NPPs.

Resource: Visit the CMS website for more on coding incident-to services at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf> .