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Internal Medicine Coding Alert

Incident-to Billing: Follow These Steps For Better Incident-to Claims To Avoid OIG Scrutiny

Learn guidelines properly or you might be raising unnecessary red flags.

As an internal medicine coder, it is likely that you will see some of your non-physician practitioner (NPPs) perform incident-to billing services. Your practice's bottom line will get affected if you do not capture these services and claim deserved reimbursement.

So, make sure that you fortify your knowledge about incident-to billing so that you will not make errors in your practice and invite trouble.

Understand the Basics of Incident-to Billing

You need to have a thorough understanding of how incident-to billing works and what will qualify as incident-to services. NPPs are also known as mid-level providers (MLPs) or advanced practice providers (APPs). They are usually physician assistants (PAs), nurse practitioners (NPs) or certified nursing specialists (CNSs), although the Centers for Medicare & Medicaid Services (CMS) definition of NPP also includes social workers, therapists, etc.

For a basic definition of incident-to, we checked in with **Jean Acevedo, LHRM, CPC, CHC, CENTC**, president and senior consultant with Acevedo Consulting Incorporated in Delray Beach, Fla.

"Incident-to billing is a Medicare benefit that allows a physician practice to bill for services personally provided by ancillary staff under the name and NPI [national provider identifier] of the supervising physician or non-physician practitioner [NPP]," she explains.

When you use incident-to correctly, "it can add 15 percent to a practice's bottom line when a nurse practitioner, physician assistant, or clinical nurse specialist an NPP performs a service," Acevedo says.

How it works: If the parameters of an incident-to visit are met, you bill the services provided by the NPP under the supervising physician's NPI. When you do this, Medicare pays based on 100 percent of the allowed amount for the service under the Medicare physician fee schedule. If instead, you bill the same service using the NPI of the NPP, Medicare pays based on 85 percent of the allowed amount. So, billing the service as incident-to will improve your practice's revenue as you will receive the ethical pay of the added 15 percent.

Check Payer Guidelines

If you are billing for a Medicare patient, you can make claims under incident-to billing. But, you should remember that not all payers might allow incident-to billing of services provided by NPPs. So, if you are planning on billing a service provided by your NPP, make sure that the payer to whom you are billing allows incident-to billing.

"Some payers may require that NPP's services always be reported under the NPP's name and NPI," warns **Marvel Hammer, RN, CPC, CCS-P, ACS-PM, CPCO**, owner of MJH Consulting in Denver, Co. It's always important to regularly check with your top payers to understand how they would like you to code these types of services.

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Also, some payers might follow Medicare payment guidelines. But, some might have certain changes to the incident-to billing rules. Make sure you check with the payer as to what their guidelines are so that you do not risk the chances of denial to your claims.

Understand the Essentiality of Plan of Care

Whenever you are thinking of billing the services provided by a NPP as incident-to, the most important criterion that you need to check will be to see if your physician has devised an established plan of care for the patient who is suffering from an established problem.

"New patient visits, as well as services for new problems do not meet Medicare's incident-to criteria," Hammer says. "A physician must personally perform an initial service and establish a plan of care for the particular condition. The physician must also remain actively involved in the patient's course of treatment," she says.

How it works: "The term 'incident-to' means that the services of the NPP are incidental to the physician's services and plan of treatment," explains Acevedo. So, if your internist has already established a plan of care for a patient and your NPP provides a service based on this established plan of care, then you can consider the service as incident-to.

On the other hand, if your NPP is seeing a new patient or an established patient for a new complaint, you cannot bill the service as incident-to, as your physician has not yet devised any plan of care for the patient. In such a case, you will not be billing the service as incident-to. Instead, you will just have to bill the service under the NPI of the NPP.

Incident-to Billing Needs Direct Supervision

In general, according to guidelines for billing incident-to, whenever your NPP performs any service, it should be under the direct supervision of your physician. If the services are not performed under direct supervision, you cannot be billing such services as incident-to.

"There are very limited exceptions to this rule," notes a coding expert. "For instance, CMS provided an exception under Medicare's 'incident to' rules that permits clinical staff to provide the chronic care management service incident to the services of the billing physician or other appropriate practitioner under the general supervision, rather than direct supervision, of a physician or other appropriate practitioner. Absent an explicit exception such as this, incident-to services should always be provided under direct supervision for Medicare purposes," he adds.

So, what exactly does "direct supervision" mean? Medicare's federal incident-to rules supersede any state's rules and the feds' rules are often more restrictive, Hammer says. Some state boards only require general supervision, or that the physician be available by phone, in order to consider an NPP "directly" supervised.

According to Medicare's direct supervision guidelines, your physician who is supervising the NPP's service should be present physically in the same office suite in which the service is being provided and should be issuing directions and giving assistance to the NPP as needed. In case your physician is not present in the office suite during the service, then you should not bill incident-to. Instead, you will have to bill the service using the NPI of the NPP.

However, you should remember that "physically present" does not necessarily mean that your physician must be in the same room where the service is being provided or must actually see the patient. However, "the supervising physician cannot be across the street, three blocks away, or available via cell phone but not in person," Acevedo says.

So, it will be necessary to include in the documentation that all the requirements of the direct supervision were met in order to allow billing the service as incident-to. Unless the documentation includes these details of where your physician was when the service was being provided, your claim might get denied. These supervision rules are in place to protect patient safety, Acevedo explains.

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For example, if the patient has an adverse reaction to an injection, or passes out during a routine venipuncture, your physician must be immediately available to provide care to the patient.

Note: It is not essential that your physician who has devised the plan of care for the patient be the one who is providing supervision to the NPP's service. "Chapter 26 of the Medicare Claims Processing Manual addresses which physician to bill under when the patient's treating physician is not in the office but another physician with the group is there to provide direct supervision," Acevedo says.

In such a case, when billing incident-to, you will have to bill the incident-to service under the supervising physician's NPI and not under your physician who devised the plan of care. But, you will need to list the physician who formed the plan of care in item 17 of the 1500 claim form (or its electronic equivalent).

For additional information and details on Medicare's incident-to rules, see also section 60 of chapter 15 of the Medicare Benefit Policy Manual on the CMS web site.

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