Internal Medicine Coding Alert

On the Cutting Edge: Protect Incident-to Pay With This Added Phrase

Hassle-free option: NPP can report service directly without satisfying criteria

Your internist won't have to pay back money for nurse practitioner and physician assistant services if initial documentation includes an authorizing statement -- or the nonphysician practitioner uses her number.

Realize Guidance Gone But Not Dismissed

Although CMS rescinded its May incident-to transmittal 87, your best bet may be to incorporate the changes. "I think CMS still intends that physicians must authorize a nurse practitioner or physician assistant to provide follow-up services," says **Hugh Aaron, MHA, JD, CPC, CPC-H,** senior adviser for HCPro, at the 2008 American Academy of Professional Coders national conference in Orlando.

The change: For private payers that follow CMS' incident-to coverage requirements, an auditor could request repayment on NPP services when the physician's initial plan of care fails to mention that an NP or PA may provide follow-up care.

Check Off 4 Incident-to Service Requirements

CMS pays a covered NPP office service billed under a physician's number at 100 percent when the encounter meets these three existing and one new criteria:

1. The NP or PA treats an established problem. An internist with the same tax identification number must first treat the patient for that condition or illness.

2. A physician provides an active role in the continued management of that condition or illness. "CMS has no set time period for how long in between episodes the physician must re-treat the patient for the carrier to still consider the physician's role as active," Aaron says.

3. The physician must provide direct supervision. Although an NP or PA subject to state law may treat a patient without a physician on-site, CMS requires a physician be in the office suite to bill a covered office service incident-to the physician, Aaron says.

4. Now CMS may also require that the physician indicate he approves an NPP provide follow-up services. For instance, if an internist diagnoses a patient with type II controlled diabetes (250.00, Diabetes mellitus without mention of complication; type II or unspecified type, not stated as uncontrolled) and wants the group's NPP to be able to provide medication checks, the internist must authorize this in the initial treatment note.

"To cover your incident-to pay, the best bet is for the physician in the initial service to make a brief authorizing statement," Aaron says. Notation could read, "OK to see NPP," he says.

Example: An internist sees an established patient for a new problem that he diagnoses as upper respiratory infection (URI, e.g., 465.8, Acute upper respiratory infections of other multiple sites) and documents a level-three E/M (99213, Office or other outpatient visit for the evaluation and management of an established patient, which requires at least two of these three key components: an expanded problem-focused history; an expanded problem-focused examination; medical decision-making of low complexity). The doctor writes a prescription and tells the patient to call back if she has any problems.

The patient calls two days later and reports that the medication is not working. She comes in and sees a nurse

practitioner while the internist is in the office suite. The NP writes the patient a new prescription and documents a level-three service (99213, Office or other outpatient visit for the E/M of an established patient, which requires at least two of these three key components: an expanded problem-focused history; an expanded problem-focused examination; medical decision-making of low complexity).

This scenario would meet the original three incident-to criteria:

• A physician provides the initial service

• Two days later can be assumed to be in the active role time-period

• A physician is in the office suite.

Missing: The internist gave "no express authorization to write another prescription," Aaron says. CMS might still believe that the physician must document in his notes whether it's OK for the patient to see the NP. Without such a statement, reporting 99213 incident-to the physician (using his NPI) is questionable.

Switch to NPP's NPI to Avoid Hoops

You don't have to forego payment for the E/M service. Instead, report the service (in the above case 99213) under the NP's NPI, Aaron says.

The incident-to umbrella was originally created in the 1960s as a billing method for auxiliary staff, meaning nurses and assistants. This was before the evolution of practices using NPPs.

When practices realized they could avoid the 15 percent reduction sometimes associated with billing services under an NPP's number, they started jumping through the incident-to hoops to prevent revenue loss, Aaron says.

But incident-to wasn't really meant for NPPs. Therefore, even though writing a prescription without physician authorization is certainly within an NP's or PA's scope of practice, subject to state laws, incident-to makes these added measures necessary, he says.

Not all payers apply this reduction, says **Richard Tuck, MD, FAAP,** of PrimeCare of Southeastern Ohio. Best bet: Check with your major insurers for payment and incident-to criteria.