

Internal Medicine Coding Alert

Reader Question: Physical Exam for New Medicare Patients

Question: We have recently opened a new clinic, and several new Medicare patients have come to us for an annual exam. The real purpose of their visit is to become established patients. How can we bill for these exams, and what will be covered by Medicare?

Oklahoma Subscriber

Answer: You cannot bill Medicare for an annual physical exam, even for the purpose of establishing a doctor-patient relationship. The patient is responsible for the cost of that physical exam, but you may be able to bill Medicare for the preventive services that it does cover and for any portion of the office visit in which the patient discussed with the internist any current illnesses or chronic conditions that he or she has.

Medicare covers several preventive services that would be performed by an internist. These include:

- Collection of Pap smear specimen (Q0091)
- Pelvic/breast exam (G0101)
- Fecal-occult blood test (G0107)
- Digital rectal exam (G0102)
- Pneumococcal vaccination (G0009 for administration, plus appropriate drug code)

Of the preventive services, the allowable fees for the Pap smear collection and pelvic/breast are deducted from the internists fee for the physical exam, which can be reported with codes 99381-99387 (initial preventive medicine evaluation and management), says **Kathy Pride, CPC**, coding supervisor for Martin Memorial Medical Group, a hospital in Stuart, Fla.

If the internists fee is \$125 for the physical exam, \$30 for the Pap smear, and \$35 for the pelvic/breast exam, then the noncovered portion of the exam to be paid by the patient is \$60 (or \$125-\$30-\$35). The patient is also responsible for a portion of the covered services (Medicare coinsurance).

The other covered preventative services are reported separately to Medicare, but do not reduce the amount that the patient is expected to pay for the preventive medicine visit.

You may also bill Medicare for any portion of the visit in which the patient discussed a current illness or chronic condition such as diabetes, asthma or hypertension with the internist. This sick visit portion may also be deducted from the fee for the physical exam.

For example, if the internist also does a level-three new patient office visit (99203) in addition to the physical exam, Pap smear, and pelvic/breast exam and has a fee of \$50 for that sick visit, then the noncovered portion of the physical exam to be paid by the patient drops to \$10 (or \$125-\$30-\$35-\$50).

You probably should have your patient sign a waiver acknowledging his or her financial responsibility for the noncovered portion of the visit. You may also want to attach modifier -GA (waiver of liability statement on file) to all the services reported to Medicare to indicate that the waiver is on file.

For more on billing for preventive services, see How to Bill for Separately Payable Preventive Services on page 75 of the October 2000 Internal Medicine Coding Alert.

