Part B Insider (Multispecialty) Coding Alert

Reimbursement: Follow 5 Steps to Ensure You're Handling Specialist Payment Arrangements Correctly

Here's your guide to splitting service fees with other physicians.

Specialists often work with other specialists to render care, but each professional usually handles his or her own coding and billing. If you're ever in a situation that requires you to bill the service and pay part of the collected amount to another provider, experts recommend keeping several things in mind.

Scenario: You work for an otolaryngologist who has an agreement for a radiologist to read CT scans performed with your in-office CT scanner. The radiologist doesn't want to bill for the service, so your physician agrees on an amount to pay him for each read, interpretation, and report. Keep Stark rules and other factors in mind to successfully navigate this minefield of potential problems.

Crucial Pointers Help You Avoid Stark Rules Snafus

"The billing and coding for services you're paying other providers is complex for Medicare and can be for a private payer as well," says **Barbara J. Cobuzzi, MBA, CENTC, CPC-H, CPC-P, CPC-I, CHCC**, president of CRN Healthcare Solutions, a consulting firm in Tinton Falls, N.J. "You need to be aware of state regulations for anti-markup laws and the private payer's specific rules."

Remember: Because of the rules for Stark, purchased services, and anti-kickback, Medicare needs to know (and any other payer wants to know) that you are not paying the reading radiologist (such as in the example above) less than the insurer is paying you for the -26 component (Professional services). Keep your claims clean by taking care of these details:

- Have your healthcare attorney draw up a contract between your physician and the radiologist (or other physician involved with the service).
- In the contract, list the CPT® codes that your physician will reimburse the radiologist for, including the reimbursement rate.
- Include the radiologist's NPI and address in the contract. There is no need for a formal reassignment. Medicare requires that the NPI and address be included in the contract.
- Indicate when you will reimburse the radiologist once the radiologist performs the read (which he would prefer) or after payment from the insurer (which most radiologists will not accept since they don't want to buy into your ability to collect).
- Confirm that the radiologist's reimbursement is at least what you get paid by Medicare (and other payers) for modifier 26, so that you are not marking up that service and being paid more by the radiologist than the payer gives you Medicare's non-geographic adjusted modifier 26 fee for a sinus CT, 70486 (Computed tomography, maxillofacial area; without contrast material) is $58.03 for 2014. This means that you want to pay the radiologist at least $58.03 per CT read, interpretation, and report.
- Verify that the radiologist will include his NPI in the clinical record for auditing purposes. In other words, each CT the radiologist reads should include his name, signature, and NPI to conform with CMS IOM 100-4 (Chapter 1, page 68).

Pay Attention to These Areas When Filing Your Claim

Once you have an agreement in place with the radiologist, you'll want to watch certain things when filing these claims to keep everything on the up-and-up.

- Indicate in Box 20 of the CMS1500 form "yes" for Outside Lab (because the designation applies to an outside radiologist).
- Put what you are paying the radiologist in Box 20 where it says charges (your system should be set up to handle this). You want whatever fee you are paying the radiologist to be equal to or greater than the Medicare fee schedule for the 26 modified of a sinus CT which is $58.03 adjusted for your geographic area. Most of these type of arrangements with radiologists involve a flat fee payment for their -26 services, such as $75 per read, interpretation, and report.
- Bill out the CT on two lines one line with modifier TC (Technical component) for the otolaryngologist and one line with modifier 26 for the radiologist's work (IOM 100-04 Chapter 1, page 68). The radiologist's NPI will go in box 24J on the line where you bill the CT with the 26 modifier. Your treating physician's NPI will go in box 24J on the line where you bill the CT with the TC modifier.
- Medicare or any other payer getting this claim will know that you are using an outside radiologist to read, interpret, and report the findings of the films because of your entries in Box 20 of the CMS1500 and splitting the CPT® code into two lines with modifiers TC and 26. The payer also will know what you paid the outside radiologist.
- As long as the amount you're paying the radiologist is equal to or above what you are paid by Medicare (or any other payer), you should be compliant with the Stark, anti-kickback, and anti-markup laws, and your practice is protected.

Take note: "There will be some private insurances along the way that might want a practice to bill the services as a single line, with no modifiers, but that would be a private payer's particular reimbursement rules that they set for themselves," Cobuzzi says. "Also, be sure to check with your state laws. There may be a law specific to your state that does not allow markups when you are billing for a purchased services. If that is the case, you have to make sure that the 26 component of the CT does not reimburse more than what you are paying the reading radiologist for your private payer claims in addition to your Medicare claims."