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Billing compliance for non-physician providers: Understanding the CMS billing regulations

Non-physician providers (NPPs) are state-licensed individuals who are able to perform physician services within their scope of practice. The physician must play an integral part in the plan of care for Incident To visits. Both the physician and NPP must document a face-to-face encounter with the same patient on the same date of service for split/shared visits. Exclusions to the rule: Split/shared policy does not apply to consultation services, critical care, or procedures. NPPs receive reimbursements at 85% of the Medicare Physician Fee Schedule.

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Are non-physician providers (NPPs) ultimately a help or a hindrance to a physician practice, once you factor in all the rules and regulations? If done appropriately, billing for NPPs could offer substantial enhancement to reimbursement, in addition to improving the quality of patient care. However, compliance with the governmental regulations and guidelines often pose a challenge. The following is a high-level guide to understanding the CMS rules and regulations of an NPP’s role in a physician practice or healthcare facility.

What is an NPP?
NPPs are individuals who are licensed by states under different programs to assist or act in place of a physician. Various types of NPPs can include physician assistants (PAs), nurse practitioners (NPs), certified nurse midwives (CNMs), clinical psychologists (PhDs), licensed clinical social workers (LCSWs), and clinical nurse specialists (CNSs).

There are two ways to bill for the services of NPPs. The first way is under the physician’s National Provider Identifier number (NPI) for 100% of the Medicare Physician Fee Schedule (PFS) as an “Incident To” or “split/shared visit.” The second way is for NPPs to bill on their own at 85% of the PFS. NPPs must be registered under CMS with their own individual NPI in order to bill on their own. The NPP must work in collaboration with the physician practice.

Incident To vs. split/shared visits
NPPs may bill under the physician’s NPI for services rendered as Incident To and as split/shared visit. In these cases, reimbursement is 100% of the PFS rate.

Incident to a physician’s professional services means that services are furnished as an integral, although incidental, part of the physician’s personal professional services in the course of diagnosis or treatment of an injury or illness.
CMS Incident To billing requirements:

- Services are commonly performed in the physician office setting.
- Physician must be physically present in the office suite and immediately available to provide direct supervision.
- Physician must initially see the patient and set up a plan of care before any follow up visits can be performed by the NPP as “incident to.”
- Established patients who present with any new problems must be seen face to face and have the new problem documented by the physician.

Any of the above services may be billed under the physician’s NPI and paid at 100% of the PFS rate.

Split/shared visit means that the face-to-face evaluation and management (E&M) services are furnished by both the physician and the NPP from the same group practice for the same patient on the same date of service.

CMS Shared Visit billing requirements:

- Services are performed in the hospital inpatient setting.
- Physician must document a separate face-to-face encounter with the patient.
- Coding level is then based upon the combined documentation of the physician note and the NPP note on the same date of service.

Any of the above services may be billed under the physician’s NPI and paid at 100% of the PFS rate.

Hospital Inpatient/Outpatient/ Emergency Department setting

When a hospital inpatient/hospital outpatient, or Emergency Department E&M is split/shared between a physician and an NPP from the same group practice and the physician provides any face-to-face portion of the E/M encounter with the patient, the service may be billed under either the physician's or the NPP's NPI. However, if there was no face-to-face encounter between the patient and the physician (e.g., if the physician participated in the service only by reviewing the patient’s medical record) then the service may only be billed under the NPP’s NPI. Payment will be made at the appropriate PFS rate based on the NPI entered on the claim.

Incident To in a skilled nursing setting

A physician who is employed by a skilled nursing facility or nursing facility (SNF/NF) may perform the E&M visits and bill independently to Medicare Part B for payment. An NPP who is employed by the SNF/NF may perform and bill Medicare Part B directly for services. The employer of the physician assistant (PA) should always report the visits performed by the PA. A physician, nurse practitioner, or clinical nurse specialist has the option to bill Medicare directly or to reassign payment for his/her professional service to the facility.

Where a physician establishes an office in a SNF/NF, the Incident To services and requirements are confined to this discrete part of the facility designated as his/her office. Visits occurring in the designated office are billed with Place of Service code 11. Incident To E&M visits,
provided in a facility setting, are not payable under the Physician Fee Schedule for Medicare Part B. Thus, visits performed outside the designated office area in the SNF/NF would be subject to the coverage and payment rules applicable to the SNF/NF setting, and should not be reported using the CPT codes for office, other outpatient visits, or Place of Service code 11.

**Other important considerations**

As per the Medicare Claims Processing Manual,4 “The split/shared E&M policy does not apply to consultation services, critical care, or procedures.”

NPPs may bill under their individual NPI for services that require a physician’s skill and are within the NPP’s scope of practice. In these cases, reimbursement is 85% of the PFS rate.

**When NPPs can bill under their individual NPI**

**Outpatient care**

An NPP may bill directly for visits when:
- there is no physician available for direct supervision;
- a new patient is seen without a physician on site; and
- coding levels are based upon documentation of the NPP only.

Any of the above services may be billed under the NPP’s NPI and paid at 85% of the PFS rate.

**Episodic care and inpatient procedures**

An NPP may bill directly for visits when:
- services are provided in the inpatient floor;
- services are billed under the NPP’s NPI;
- coding levels are based upon documentation provided by the NPP only;
- no physician will see the patient for this episode of care;
- an NPP has clearly documented the procedure performed;
- the procedure is within the NPP’s scope of practice;
- no physician presence is required; and/or
- the patient is still under the care of the physician on record and the NPP must contact the physician.

Any of the above services may be billed under the NPP’s NPI and paid at 85% of the PFS rate.

**Non-physician providers acting as scribes for the physicians**

The scribe functions as a “living recorder” who documents in real time the actions and words of the physician as they are done. The NPP should document “written by Xxxxx, acting as a scribe for Dr. Yyyyy.” The physician should then co-sign, with a statement that the note accurately reflects work and decisions made by him/her.5 This service would be billed under the physician’s NPI.

**Summary**

Physician practices and healthcare facilities may both benefit from working with NPPs. Additional reimbursement is possible, and most importantly, the NPP assists the physician in providing quality patient care. There are also patient satisfaction benefits such as giving the patient a choice to see another clinician who knows and understands their medical condition. No matter what the main reason is, an NPP could be very beneficial. However, if the rules and regulations are not followed as instructed by CMS, it could pose a serious problem.

The views in this article are the author’s personal views and do not necessarily represent the views of her employer.

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1. Medicare Benefit Policy Manual 100-02; Chapter 15; Covered Medical and Other Services, Section 60.1-60.4, 180, 190, 200 & 210
2. Medicare Claims Processing Manual 100-04; Chap.12; Physicians/Nonphysician Providers, Section 30.6.1, 30.6.4, 120, 130
3. Medicare Claims Processing Manual 100-04; Chap.12; Physicians/Nonphysician Providers, Section 30.6.13
4. CMS: Medicare Claims Processing Manual, Chapter 12, Section 30.6.13 H