

Productive Provider Newsletter

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M.P.E.C.S. Medical Professional Education and Consultation Services

Jim Meeks, P.A.-C.

Understanding Today's Healthcare,
Serving Today's Patients,
Meeting the Needs of Today's Practice.

Here is the latest issue of the *Productive Provider Newsletter*. This publication brings you timely, thoughtful and valuable information on the confusing topic of Evaluation and Management (E&M) coding. I hope that you find it useful and interesting.

Please feel free to respond, comment and suggest on the content of this newsletter. For more information about me and on what I am doing, please visit me at www.mpecs.org.

Will you please forward this newsletter to your friends and associates and anyone you feel may be interested in learning more about E&M coding?

Thanks, enjoy this newsletter and have a great day.

AT A GLANCE: In today's *Productive Provider Newsletter*

1. It's just my opinion.

Who is in charge of determining the billing level for services provided in your office or practice?

2. So many questions, So much confusion.

There are three requirements to qualify for "incident to" billing.

3. Choose your attitude.

"We who lived in concentration camps can remember . . .

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All material contained in this publication is the original work of Jim Meeks, P.A.-C. unless otherwise noted. Quotations from and references to this material are encouraged and authorized as long as credit is given to the author, this newsletter by name and reference to the MPECS web site is included.

2. So Many Questions, So Much Confusion

Medical practices utilizing Physician Assistants (PAs) and Nurse Practitioners (NPs) are occasionally confused about coverage for their services by third party payers. Often, available information can be confusing. Insurance company policies and government regulations frequently are hard to understand and for some of us, rather intimidating.

In the past, restrictions that applied to services rendered by PAs/NPs in a medical practice came from MEDICARE, but typically not from private insurance companies. It is a common mistake to assume that Medicare rules are universally applied to all insurance companies. They are not.

In 1997, the Balanced Budget Act passed by Congress expanded Medicare coverage for medical services provided by PAs and NPs. Restrictions on the type of areas and settings in which the services of PAs/NPs are paid were **mostly removed**. Both may now provide medical services in all areas and practice settings as long as their practice falls within applicable state licensure law. Individual state law determines the level of physician supervision/collaboration for physician assistants and nurse practitioners.

Restrictions still do exist on payments for medical services (commonly referred to as reimbursement). This has come to be known as the “*Incident To*” Rule. There are three requirements to qualify for “incident to” billing.

1. The physician must be on site when the PA/NP delivers care to Medicare patients
2. The physician must personally treat Medicare patients on their first visit to the practice
3. The physician must personally treat established Medicare patients who present with new medical complaints or problems

On site means within the same suite of offices, but does not require a physical presence in the exam or treatment room with the PA/NP.

Simply put, when the above requirements are met, medical services provided by PAs and NPs in the office or clinic are payable at 100% of the Medicare physician fee schedule and are considered to be “incident to” the physician’s services. If the supervising physician is not on site, payment for services is at 85% of the physician fee schedule and the visit cannot be considered to be an “incident to” service.

This **does not** mean that PAs or NPs are unable see new Medicare patients or see established Medicare patients with new problems. It is perfectly legal to see any Medicare patient in need of medical attention. It just can’t be billed as “incident to.”

Misinterpretation and misapplication by employers, office managers, bean counters and providers of the “incident to” rule have resulted in some PAs and/or NPs being wrongly restricted from seeing patients. That rule only applies to how a Medicare patient visit is billed, nothing more. There is no credible reason to restrict access to medical care based on the “incident to” rule. Overzealous interpretation of the rule is not in the interest of good patient care.

Medicare requires that all providers treating Medicare patients have their own provider identification number (PIN). The PIN is used for billing Medicare patient encounters and is essential for PAs and NPs when billing for “non-incident to” medical services. Contact the provider relations office of your local Medicare carrier and request a new Provider Application to apply for a provider identification number if you don’t already have one, and for specifics on billing within their system.

“Incident to” rules may not be applied to medical services provided by PAs/NPs to Medicare patients in hospital or nursing facility settings. Those services are paid at 85% of the Medicare physician fee schedule and may not be billed under the physician’s PIN number, but only under the PIN of the PA/NP. Again, this is a Medicare rule only and typically does not apply to patients with private insurance.

Private insurance carriers traditionally have reimbursed covered services performed by PAs/NPs as they would for those provided by the physician, at 100% of the contracted reimbursement rate. So far, this continues to be the case in most areas of the country. **The Medicare 85% reimbursement rule DOES NOT automatically apply to private insurance claims.** Unfortunately, this practice is beginning to show up in some areas of the country.

Recently, various health plans have given indications that they may begin issuing individual provider numbers to PAs/NPs. There has also been some effort on the part of some professional organizations (PA/NP) and individuals, attempting to become recognized by insurance carriers with their own identification numbers. Personally, I believe that this is a big mistake. It will only provide a means for insurance carriers to identify PA/NP services. They may then use this information to discount payment for PA/NP services as Medicare already does.

The final consideration comes down to this. Insurance companies are looking for any way they can find to cut their costs. Discounting payments for services provided by PAs and NPs is just another avenue they may be looking at. Why not? Medicare does it. In some states, Workers Compensation funds, Medicaid, and some private insurance companies are doing the same thing. This in turn leads practices to restrict PAs and

NPs from seeing these patients. It isn't good medicine.

Payments for physician services in many areas of practice are far below what they were 20 years ago. With the rising costs of keeping a medical practice operating, any attempt to discount payments for medical services provided by PAs/NPs will erode the already weakened foundation of many practices. Every effort should be made to remove all discounts for services provided by PAs and NPs, in every setting. PAs and NPs are medical professionals, providing quality, cost effective medical care.

Don't let confusion over the "incident to" rule add to the problem in your practice. Until that rule can be eliminated, PAs/NPs, the practices and the physicians they work for need to be completely accurate with their application of the rules of the game to be successful in today's medical business climate. See the patients, bill accurately. That is the key.

PRACTICE PROFITABILITY WORKSHOPS:

MPECS is dedicated to making your practice of medicine more productive, more profitable and ultimately more enjoyable. My comprehensive 4-hour PRACTICE PROFITABILITY workshop focuses on exactly what you need to know, the specifics of documentation and coding. If you ever find yourself questioning which E&M code you should use, you need this workshop!

The next MPECS workshop is scheduled in Salt Lake City on **September 18, 2004**. The web site has the current details. Mark your calendars and register early! Please visit www.mpecs.org for more information.

3: Choose your attitude

"We who lived in concentration camps can remember the men who walked through the huts comforting others, giving away their last piece of bread. They may have been few in number, but they offer sufficient proof that everything can be taken from a man but one thing: the last of the human freedoms - - to choose one's attitude in any given set of circumstances." Victor Frankl

PLEASE SEND THIS ON . . .

If you like what you see here in the *Productive Provider Newsletter*, please recommend and forward this Newsletter to anyone that is interested in becoming more productive in his or her medical practice. Providers, billers and office managers alike are enjoying this publication.

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