REIMBURSEMENT ROUND-UP: INCIDENT TO BILLING FOR PHYSICIAN EXTENDER SERVICES

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By: Scott C. Palecki

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Each issue of the Health Law Newsletter will include a step-by-step, easy-to-understand explanation of a complicated Medicare reimbursement rule. This quarter, we welcome you to the wonderful world of "incident to" billing.

Under the Medicare reimbursement rules, services provided by a PE (e.g., ARNP, physician assistant) in a physician's office can be billed under a supervising physician's provider number (referred to as "incident to" billing) only if all of the following conditions are met:

1. The PE must be authorized by the supervising physician to perform the particular type of service provided to the patient.
2. The patient must have been seen previously by the supervising physician. A new patient visit cannot be billed "incident to."
3. A physician must be present in the same office suite and immediately available to render assistance at the time the service is provided by the PE. If the PE's supervising physician is not present at the time the services are provided, those services must be billed under the provider number of a physician who is present at the time.
4. The Medicare rules used to require that the PE be employed by the physician or the same entity that employed the physician. An employment relationship between the physician and the PE no longer is required.

If these requirements are not satisfied, a PE's services provided in a physician's office must be billed under the PE's provider number, and will be reimbursed at 85 percent of the Medicare physician fee schedule (assuming all other requirements for coverage have been satisfied).
If a PE provides a service in a setting other than a physician's office, e.g., a hospital, nursing home, the service must be billed under the PE's provider number unless the supervising physician is physically present in the room while the PE is providing the service.

A PE may assist a physician in providing services in settings other than a physician's office in the following manner:

1. A PE may record a patient's medical history, including chief complaint, history of present illness, and review of systems. The physician, however, cannot simply rely on the PE history. Instead, the physician must review this history and document his/her agreement and any supplementation in the patient's chart.

2. A PE may conduct a preliminary physical as long as the physician conducts and properly documents his/her own examination. The physician cannot simply review and supplement the PE's physical exam.

3. A PE can act as the physician's scribe, writing information in the medical record at the physician's direction. The physician must be in the same room with the PE. The PE should note that he or she is acting at the physician's direction and sign the note. The physician must then review the PE's documentation and sign the note as reviewed.

PRACTICE AREAS

- Health Care