

## Compliance Today – May 2019 Compliance concerns for billing nurse practitioner and physician assistant services

---

by Cynthia Swanson, RN, CPC, CEMC, CHC, AAPC ICD-10-CM Proficient, AAPC Fellow

**Cynthia Swanson** ([cswanson@seimjohnson.com](mailto:cswanson@seimjohnson.com)) is a Senior Manager in Healthcare Consulting at Seim Johnson, LLP in Omaha, NE.

Billing Medicare for services performed by nurse practitioners (NPs) or physician assistants (PAs) seems fairly straightforward. It should be noted, however, there are three options for reporting/billing NP and PA services to Medicare. To assist with ongoing compliance efforts and risk minimization, each option requires a clear understanding of Medicare's guidelines. To bill under their own names, NPs and PAs must have their own National Provider Identifier (NPI) number.

What are the three options for reporting/billing NP/PA services to Medicare?

- Report as an “incident-to” service
- Report as a split/shared service
- Report under the NP's name/NPI or PA's name/NPI

### Background

Incident-to services have specific requirements that must be fulfilled in order to bill Medicare, including:

- The NP or PA must provide services that are an integral, although incidental, part of the physician's personal professional service.
- The NP or PA may be an employee, independent contractor, or a contractor under an indirect contractual arrangement.
- The physician must first see the patient and develop the plan of care that the NP or PA will carry out.
- The physician must remain active in the patient's ongoing treatment.
- Direct physician supervision is required.

Incident-to is not applicable to:

- New patient office visit services
- Established patients being seen for a new problem/condition (i.e., physician has not seen the patient and established a plan of care for the new condition)
- Consultation services
- Services performed in an institutional setting (e.g., hospital inpatient/outpatient setting, emergency

department (ED), skilled nursing facility (SNF))

When Medicare incident-to requirements are met, the service may be billed under the physician's name/NPI, and Medicare will reimburse 100% of Medicare physician fee schedule (MPFS) amount. If the services are billed under the NP's name/NPI or PA's name/NPI, Medicare will reimburse 85% of the MPFS amount.

## **Split/shared evaluation and management (E/M) services**

Split/shared services is a Medicare concept allowing both the physician (MD/DO) and the NP or PA from the same group practice (i.e., they use the same tax identification numbers) to each provide a portion of the evaluation and management (E/M) service.<sup>[1]</sup> A split/shared E/M visit is defined by Medicare Part B payment policy as a medically necessary encounter with a patient where the physician and a qualified NP or PA each personally perform a substantive portion of an E/M visit face-to-face with the same established patient in the office setting on the same date of service. A substantive portion of an E/M visit involves all or some portion of the history, exam, or medical decision-making components of an E/M service.<sup>[2]</sup>

- The split/shared designation applies only to selected E/M visits and service locations. It is not applicable to new patient E/M visits, consultation services, critical care services, procedures, or nursing facility services.

When Medicare split/shared E/M service requirements are met, the E/M visit may be billed under the physician's name/NPI, and Medicare will reimburse 100% of MPFS amount. Alternatively, if the services are billed under the NP's name/NPI or PA's name/NPI, Medicare will reimburse 85% of the MPFS amount.

## **Services billed under NP's name/NPI or PA's name/NPI**

Of the three available options for reporting NP/PA services to Medicare, billing under the NP's name/NPI or PA's name/NPI is thought to be the easiest, with potentially fewer compliance risks. Services performed and documented by an NP or PA are applicable to:

- New patient E/M visits
- Established patient E/M visits
- Consultation services
- Hospital inpatient and outpatient services
- ED services
- In-office procedures (when the requirements for supervision are met)
- Other services

When Medicare billing and documentation requirements are met, services are billed under the NP's name/NPI or PA's name/NPI, and Medicare will reimburse 85% of the MPFS amount.

This document is only available to members. Please log in or become a member.

[Become a Member Login](#)