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Incident-to Billing Drives \$1M Settlement; Lawyer: 'New Problems' Aren't in Regs, Manuals

By Nina Youngstrom

In another reminder that incident-to billing is a potential compliance landmine, Graybill Medical Group Inc. in California agreed to pay \$1.061 million in a settlement with the HHS Office of Inspector General (OIG).^[1] The settlement stemmed from Graybill's self-disclosure to OIG.

According to OIG's website, Graybill charged Medicare for services performed by nonphysician providers (NPPs) incident to a physician's services "when the services did not satisfy the incident-to requirements because the physician did not initiate the plan of care or remain actively involved in the course of treatment as required by the incident-to rules," OIG alleged. Also, Graybill submitted claims for services performed by NPPs although they weren't properly credentialed with Medicare or TRICARE. OIG alleged Graybill violated the Civil Monetary Penalties Law. No additional details were available by press time and Graybill didn't respond to RMC's requests for comment. In 2020, it joined forces with Arch Health to become Palomar Health Medical Group.^[2]

Incident-to billing offers physician practices more reimbursement for services provided by NPPs—such as physician assistants and nurse practitioners—if they comply with certain Medicare rules. For example, physicians must establish the course of treatment and provide direct supervision. Historically, to provide direct supervision, physicians were required to be in the office suite and immediately available to help the patient, but CMS now allows physicians to be offsite if they're available via audio/visual communication (virtual supervision). Also, incident-to services must be billed under the supervising physician, who doesn't have to be the same physician who initiated the course of treatment.

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