Medicare "INCIDENT TO" Billing

"Incident to" is a **Medicare** billing provision that allows PAs to bill Medicare under the physician's NPI number, only if Medicare's strict criteria for "incident to" billing are met:

- Services are provided in a physician's office or physician's clinic;
- Physician sees Medicare patient on initial visit, establishes a diagnosis and treatment plan. PA sees patient on follow-up visit;
- For established Medicare patients with a new problem, the physician sees the patient first for the new problem, establishes a diagnosis and treatment plan, PA sees patient on follow-up visit;
- A Physician is on site, within the suite of offices, when the patient is seen by the PA;
- Services are within the PA's state law scope of practice; and
- The PA represents a direct financial expense to the physician billing (W-2 or leased employee, or independent contractor).
- The physician must continue to see the patient at a frequency that reflects ongoing management of the patient's care.

If all of the above criteria are met, you may bill Medicare under the physician's NPI with reimbursement at 100%. If any of the bulleted criteria are not met, bill Medicare under the PA's NPI with reimbursement at 85%.

> **Example:** A Medicare patient has been previously treated by the physician and diagnosed with hypertension. On a subsequent visit to the physician's office, a PA saw the patient and evaluated his or her hypertension within the plan of care established by the physician on the initial visit. The physician or another physician within the group was on-site within the suite of offices at the time the PA saw and treated the patient. The PA may bill the office visit, "incident to," under the NPI of the physician on-site, with reimbursement at 100%.

PAs ***may*** see new Medicare patients, see established Medicare patients with new problems, and ***may*** see Medicare patients under state law guidelines for supervision; however, the claim must then be submitted under the PA's NPI and reimbursement will be at 85% of the Physician Fee Schedule.

Note: "Incident to" billing has come under increased scrutiny by Medicare auditors, and is cited as a focus for audit in the OIG Work Plans for 2012, 2013. Consult your local Medicare Administrative Contractor's (MAC) website for "incident-to" documentation guidance.

Resources:

- **Medicare Benefit Policy Manual, Chapter 15, Section 60**
- **Medicare Transmittal 1764 (see section 2050.2)**
- **MLN Matters®: SE0441:“Incident to” Services**
- **Office of the Inspector General Work Plan 2013**
- **Article: “Incident To Billing: Still Relevant? Still Legal?” By Michael L. Powe, *PA Professional,* May 2011 (attached, see pages 4-5)**

Frequently Asked Questions about "Incident to"

When a physician assistant (PA) performs a new Medicare patient visit, may the encounter be billed "incident to?"

No. By definition, a practice cannot bill a new patient visit provided a PA under the NPI number of the PA's supervising physician. The claim should be submitted under the PA’s NPI number.

Can a PA see a new Medicare patient? What about a Medicare patient who comes to the office when no physician is on-site?

Yes. A PA may see and treat any Medicare patient and provide a service within his or her state law guidelines for scope of practice as long as the state's supervision requirements are met. Since the "incident to" criteria have not been met, the claim should be submitted with the PA's NPI.

If a patient was initially diagnosed by one physician in a group practice and a PA sees the patient for a follow-up visit for the same condition while a different physician in the group is within the suite of offices, may the service be billed "incident to?"

Yes. In Medicare's eyes, all physicians within a group are interchangeable. In this situation the claim should be submitted with the NPI number of the physician who was within the suite of offices while the "incident to" visit took place.

What should be done if a PA is seeing an established Medicare patient with an established problem for an "incident to" visit and the patient begins to describe a new condition that is unrelated to the physician's previous diagnosis?

The PA has the following options: 1) see and treat the patient for the new condition and bill for this and subsequent visits for the new problem with his or her NPI or 2) have the physician see and treat the patient for the new problem in order to establish a diagnosis so that future visits with the PA for this new problem can be billed "incident to" as long as other "incident to" criteria are met.

After an initial visit, what role should the physician have in a Medicare patient's ongoing care while the PA sees the patient "incident to?"

The medical record should reflect that the physician has an "ongoing involvement in the patient's care."

Some private payers in my state require that claims for visits with PAs be submitted with the billing number of the supervising physician. Does this mean that PAs cannot see new private insurance patients or private insurance patients who come for visits when no physician is present?

No. "Incident to" is a Medicare billing provision. Requirements that physicians establish diagnoses and be on-site apply only to Medicare patients, unless otherwise specified by the private payer or state laws. If a private payer uses the term "incident to," always ask for clarification of the billing requirements; do not assume that Medicare rules apply.

"Incident to" is confusing! May a practice submit claims for all Medicare patient visits with PAs under the PA's NPI?

Yes. Some practices choose to forego the additional 15 percent reimbursement to simplify billing. In their view, the increased volume of patients treated by the PA leads to enhanced revenue, making up the 15 percent differential, and reducing patient wait times. Additionally, the administrative burden required to ensure compliance with the strict criteria, as well as the risk of error and penalties if discovered in audit, far outweighs the 15% differential.

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