PHYSICIAN SERVICES PERFORMED BY NON-PHYSICIAN PROVIDERS:
A GROWING RISK AREA FOR PHYSICIAN BILLING

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AGENDA

1. Understanding the Issue
2. Definitions
3. Key Billing Concepts
4. Medicaid Billing Guidelines
5. Billing Sheet for NPP’s
6. Implementation and Education
1. Understanding the Issue

Widespread misconception 1:

If a physician is considered the supervisor of the non-physician practitioner (NPP) who performed the service, co-signs the medical record, selects a procedure code deemed reasonable for the service and allows his/her name to be used to bill the claim, then the claim must be correct, proper and meets all applicable laws and regulations. The proof: the charge paid! But...

Widespread misconception 2:

An incorrect billing procedure is discovered with the NPP billing. Going forward, billing for the service is stopped. Consequently, the practice is now losing money it was receiving. How can the lost money be replaced? There must be some way to get paid (see #1).
2. Definitions

A. Performing Provider
The clinician who performed the actual medical activity for which payment is being sought by the practice:

- Non-physician Practitioners (NPP)
- Non-physician Auxiliary Personnel
- A Teaching Physician
- Locum tenens (substitute) physicians
- Physicians

B. Billing Provider
The provider, usually but not always a physician, who is required to fulfill a defined role in relation to the performing provider and to the service before payment may be sought. In government programs, and most private payers, this is the entity with ultimate responsibility for the “truth or falsity of the claim”.

Set billing system to capture “Billing Provider” and “Performing Provider”.
C. Non-physician Practitioners (NPP)

1. Includes NP, PA, CNM, CNS and CRNA.
2. Required licensing and certification by the state and national certifying agencies.
3. Scopes of practice may include a defined level of diagnosing and treatment.
4. Permitted to provide services independent of direct (face-to-face) physician involvement with the patient.
5. Physician supervision in some form required in most cases – ranging from written practice agreements to being in-the-room.
6. Permitted, or required, by an increasing number of payers to bill under their own name.
7. Generally receive a reduction from the physician fee schedule rates.
3. Key Billing Concepts

A. Physician Supervision

- **In the room** - The supervising physician must be in the room with the patient during the performance of the procedure.

- **On the premises** - The supervising physician must be in the facility/building/office and available to assist.

- **Available** – The supervising physician must be available and in reasonable communication, including telecommunications with the provider during the service.

- **Administrative** – Generally, the supervising physician will have a written protocol, collaborative agreement or other such document in place with the NPP. Personal supervision during the service is not expected.
B. Incident to

- All of the following requirements must be met in order for services provided on an “incident to” basis to be billable by the billing physician:

  1) The billing physician must have seen the patient and established a plan of care.
  2) The “incident to” service must be performed by a qualified clinician.
  3) The “incident to” service must be performed in an office setting (virtually all), not hospital.
  4) A supervising physician must be in the office and available to assist at the time the “incident to” service is performed.
  5) The “incident to” service is always billed under the billing physician’s name.

“Incident to” is a Medicare concept intended to allow the physician in an office setting to bill for ancillary-type services and some limited E/M services performed by an NPP, thus freeing the physician to see other patients at the same time. (See MCR IOM, Pub. 100-02, Chap 15, Section 60 and Pub. 100-04, Chap 12, Section 30.6.4.)
C. Consultations

► A “consult” is not always a consultation.

► Performance of a consultation service is limited to practitioners who are permitted by scope of practice. Billing may be further limited by payer rules.

► Required activities that must be completed and documented in the medical record are:
   1) A written or verbal request from an appropriate source for an opinion or expert advice
   2) All components of an initial encounter E/M code completed as defined in CPT-4
   3) Written or verbal communication returned to the requestor
   4) When the face-to-face time of the performing provider for counseling and/or coordination of care as defined by CPT-4 is greater than 50% of the total time of the encounter, then time is the controlling factor to select the level of service to be billed. In these cases, (1) the medical decision making component, (2) content of the counseling and/or coordination of care and (3) actual time of the face-to-face encounter or unit/floor activity must be documented as a minimum. This “time” is ONLY the performing provider’s time.

► CPT codes such as 99241-99245 and 99251-99255 should be billed only after all of the conditions above have been met.
D. Medically Necessary

Sec. 1862 (a) Notwithstanding any other provision of this title, no payment may be made under part A or part B for any expenses incurred for items or services—
(1)(A) which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member…

- SSA Sec. 1862 [42 U.S.C. 1395y]

Services or supplies that: are proper and needed for the diagnosis or treatment of your medical condition, are provided for the diagnosis, direct care, and treatment of your medical condition, meet the standards of good medical practice in the local area, and aren’t mainly for the convenience of you or your doctor.

-CMS General Glossary
4. Medicaid Billing Guidelines

1. Provider Types
   a) Advanced Practice Nurse (all specialties)
   b) Physician Assistant
   c) Others

2. Factors not evaluated
   a) Employment/contract in some form assumed

3. Factors evaluated
   a) Who is permitted to bill for the service?
   b) Qualifications and Enrollment
   c) Covered Services
   d) Physician Supervision and Documentation
   e) Special Billing Instructions
# MEDICAID BILLING GUIDELINES FOR NPP PROVIDER TYPE

**State of __________**  
Manual reviewed __________

<table>
<thead>
<tr>
<th>Permitted?</th>
<th>Billing in Name of Collaborating/Supervising Physician</th>
<th>Billing in Name of Provider Type</th>
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<tbody>
<tr>
<td>Qualifications and Enrollment</td>
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<tr>
<td>Covered Services</td>
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<td>Special Billing Instructions</td>
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<tr>
<td>Reimbursement</td>
<td></td>
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**Citations:**
### SUMMARY OF STATE MEDICAID BILLING GUIDELINES FOR THE NEONATAL NURSE PRACTITIONER

<table>
<thead>
<tr>
<th>STATE</th>
<th>FOR DOC TO BILL: SUPERVISING PHYSICIAN /DOCUMENT</th>
<th>FOR NP TO BILL: SUPERVISING PHYSICIAN /DOCUMENT</th>
<th>OTHER BILLING ISSUES</th>
<th>% OF ALLOW: DOC TO NP</th>
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<tbody>
<tr>
<td>Alaska</td>
<td>COLLABORATIVE</td>
<td>COLLABORATIVE</td>
<td>SA MOD ON DOC</td>
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<tr>
<td>Arizona</td>
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<td>NONE REQUIRED</td>
<td>AHCCCS # ON CLAIM</td>
<td>--/90</td>
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<tr>
<td>California</td>
<td>NOT PERMITTED</td>
<td>NOT PERMITTED</td>
<td>N/A</td>
<td>--/--</td>
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<tr>
<td>Florida</td>
<td>ON PREMISES; REVIEW AND SIGN RECORDS</td>
<td>COLLABORATIVE</td>
<td>NONE</td>
<td>100/80</td>
</tr>
<tr>
<td>Virginia</td>
<td>ON PREMISES; SIGN RECORD</td>
<td>NOT PERMITTED</td>
<td>NONE</td>
<td>100/--</td>
</tr>
</tbody>
</table>
5. Billing Sheet for NPP’s

>>TYPICAL BILLING WORKSHEET

REALLY COMPLIANT MEDICAL GROUP

Hospital Services Billing Worksheet

Patient name___________________ DOB___________ Acct #________

Provider name ___________________________________________________

Referring physician _____________________________________________

DATE OF SERVICE _____________

PROCEDURES: CIRCLE A CPT CODE

DIAGNOSES: CIRCLE ONE OR MORE
## BILLING WORKSHEET FOR NPP’S

**REALLY COMPLIANT MEDICAL GROUP**

### Hospital Services Billing Worksheet

<table>
<thead>
<tr>
<th>Patient name</th>
<th>DOB</th>
<th>Acct #</th>
</tr>
</thead>
</table>

**Referring source**

**DATE OF SERVICE**

1. Performing physician *or* NPP name
2. Supervising physician name
3. Location of supervisor: __on premises __available __N/A

**PROCEDURES:**

**DIAGNOSES:**

4. Performing provider signature:
6. Implementation and Education

- Write out state Medicaid billing guidelines
- Revise/create NPP-specific billing sheets
- Develop system edits for state rules
  - Who is billable?
  - CPT limited coverage?
  - Modifiers?
- Create training manual by user group
  - Physicians
  - NPP’s
  - Billing staff
Education for the Physicians:

1. Physicians should complete, and review regularly, collaborative agreements or protocols with the NPP's as required by state board and state Medicaid payer regulations.

2. It is recommended that the practice apply state Medicaid supervision guidelines for all services performed by an NPP.

3. The practice should post a listing of times each physician in the group will be serving as the designated supervising physician.

4. The practice should implement procedures to ensure the supervising physician countersigns medical records (not always required, but recommended).
Training for the NPP's:

1. Complete all fields on the Billing Worksheet for all services personally performed.

2. Check that supervising physician name and location are entered.

3. Locations are: (1) on the premises, (2) available by phone, or (3) personal supervision does not apply.

4. Sign off on medical record and billing sheet.
Training for the Billing Staff:

1. Review bill sheets for completeness. Return incomplete sheets to the NPP.

2. Apply state Medicaid guidelines when billing for Medicaid or Self Pay accounts.

3. What about Managed Care and Commercial payers?
   
   A. Apply specific NPP guidelines for Payer, if known.

   B. Bill service under name of supervising physician in all other cases.
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