

Medicare

Medicare Overview

Medicare is a government-administered program providing health insurance to 43 million Americans. The Centers for Medicare and Medicaid Services (CMS) implements laws and establishes policies affecting Medicare and contracts with health care professionals to process Medicare claims.

Medicare rules require that services provided by physician assistants (PAs) be reimbursed at 85 percent of the physician fee schedule unless specific billing exceptions discussed below (“incident to” and “shared visits billing”) apply. To receive reimbursement, PAs must bill Medicare at the full physician rate. A PA must enroll in the Medicare program and use his or her National Provider Identifier (NPI) number to alert the carrier to implement the 15 percent discount.

Services provided by PAs are reimbursable by Medicare when provided in offices or clinics, nursing facilities, hospitals, and ambulatory surgical centers. Medicare pays PAs for nearly all types of medical and surgical services (as allowed by state law). Covered services include, but are not limited to, high-level evaluation and management services, consultations, initial hospital histories and physicals, mental health services, diagnostic tests, telemedicine services, and ordering durable medical equipment.

FAQ

How Do I Get an NPI Number?

NPI numbers can be obtained on-line at <https://nppes.cms.hhs.gov>.

“Incident to” and Billing in an Office or Clinic Setting

“Incident to” is a Medicare billing provision that allows reimbursement for services delivered by PAs at 100 percent of the physician fee schedule, provided that all “incident to” criteria are met. “Incident to” billing only applies in the office or clinic. It requires that

1. The physician must have personally treated the patient on his or her initial visit for the particular medical problem and established the diagnosis and treatment plan. The physician must also diagnose and establish a treatment plan for any new medical conditions that may arise.
2. The physician is within the suite of offices when the PA renders the service.
3. The service is within the PA’s scope of practice and in accordance with state law.

If all criteria are met, the PA’s services are billable under the supervising physician’s Medicare number with payment at 100 percent of the fee schedule. If the criteria are not

met, the PA can still perform the service; however, the PA's services must be billed to Medicare under the PA's own number for reimbursement at 85 percent of the physician fee schedule.

There must be subsequent services performed by the physician of a frequency that reflects his or her continuing and active participation in patient management and course of treatment.

FAQ

Will a PA Be Reimbursed When He or She Sees a New Medicare Patient?

Yes, as long as visits with new patients are allowed by state law, a PA may see a new Medicare patient. This visit should be billed using the PA's Medicare number for reimbursement at 85 percent of the physician fee schedule.

May I Bill "Incident to" for a Visit if My Supervising Physician Is Next Door at the Hospital?

No. In order to qualify for "incident to" billing, the supervising physician must be within the suite of offices.

May I Bill "Incident to" in a Hospital or a Nursing Facility?

No. "Incident to" exists only in a physician's office or clinic.

Shared Visits and Billing in a Hospital Setting

Medicare regulations defer to state law with regard to physician supervision requirements in the hospital and reimburse for services provided by PAs under Medicare Part B.

If a service is within a PA's scope of practice as defined by state law and is allowable by the hospital bylaws, a PA may perform and be covered by Medicare for that service. To obtain reimbursement for his or her services, the PA should bill Medicare using his or her own NPI number. Billing Medicare in this manner will result in the PA being reimbursed at 85 percent of the physician fee schedule rate.

However, it is possible for a PA to be reimbursed at 100 percent of the physician fee schedule for services rendered in a hospital by billing under the physician's name and provider number under the shared billing guidelines. Shared visit billing can be used when the following criteria are met:

- 1) Both the PA and the physician work for the same entity (i.e., same practice, same hospital, etc.).
- 2) The service performed was an evaluation and management (E/M) service and neither a procedure nor a consult.

- 3) The physician provided some face-to-face portion of the E/M service with the patient. (He or she did not simply review and agree with the PA's description on the patient's chart.)
- 4) Both the PA and the physician see the patient on the same calendar day.

If all criteria are met, the PA's services are billable under the supervising physician's Medicare number with payment at 100 percent of the fee schedule. If the criteria are not met, the PA can still perform the service; however, the PA's services must be billed to Medicare under the PA's own number for reimbursement at 85 percent of the physician fee schedule.

FAQ

May I Bill Medicare at 100 Percent for a Shared Consultation in a Hospital Setting?

No. At the present time, consultations may not be billed as shared services. PAs must bill for their role in consultation services under their own provider number for 85 percent reimbursement. The medical community is joining the AAPA in fighting this policy and advocating for the ability to provide shared consultation services.

First Assisting at Surgery

PAs first assisting at surgery are reimbursed at 85 percent of the first-assisting fee paid to a physician (16 percent), or 13.6 percent. PAs cannot act as primary surgeons, but they are eligible for reimbursement for first assisting in any procedure where a physician would receive such a reimbursement. PAs are also covered when performing minor surgical procedures.

PAs should bill for their services at the full physician fee schedule. The use of the PA's NPI number and the "AS" surgical assistant billing modifier will indicate to the Medicare carrier to implement the appropriate discount.

Medicare maintains a list of approximately 1,900 Current Procedure Terminology (CPT) codes for which a first assistant at surgery will not be reimbursed. For these codes, Medicare determined that a first assistant is not needed and will not pay for the services of any medical professional acting as a first assistant. If a physician deems that a first assistant is medically needed, and Medicare agrees, Medicare may grant an exception and reimburse for that service.

In teaching hospitals, Medicare restricts coverage of physicians, PAs, NPs, and Clinical Nurse Specialists for first assisting at surgery only. There are no restrictions for other services PAs provide in teaching hospitals. If a teaching hospital has an approved, accredited surgical training program related to the surgery being performed and has a qualified resident available to perform the service, no reimbursement is made for a licensed health care professional first assisting. If, however, a primary surgeon has an across-the-board policy of never allowing residents to act as first assistants, or in trauma

cases, or if the surgeon believes that the resident is not the best individual to perform the service, Medicare will reimburse for a first assist provided by a PA. In these cases, claims should be accompanied by an explanation that the first assist was medically necessary and that no qualified resident was available to first assist at that time.

Billing Medicare in a Nursing Facility

In general, services covered when provided by a physician in a nursing facility are also covered when provided by a PA at 85 percent of the physician fee schedule. Medicare requires that nursing home patients be seen on a face-to-face basis at least once every 30 days for the first 90 days, and every 60 days thereafter. Physicians and PAs may alternate every other visit. The comprehensive visit must be performed by a physician. Medicare will also cover medically necessary unscheduled visits.

In non-skilled nursing facilities, PAs are allowed to perform certain “physician-only” tasks if specifically allowed by state law.

FAQ

May I Bill Medicare for an Unscheduled Nursing Home Visit if I Performed the Most Recent Scheduled Visit?

Yes. Medicare will cover additional medically necessary visits (beyond the required visits). These visits can be performed exclusively by a PA and do not affect the established alternating physician-PA visit schedule.

Where Can I Learn More About Reimbursement Issues? Who Can I Call for Help?

To learn more about Medicare reimbursement policy, visit AAPA’s Web site, www.aapa.org. If you still have questions, call AAPA’s reimbursement staff at 703/836-2272, ext. 3218 or 3219.