Billing Basics: Understanding How to Bill for the Care You Provide

Marianne Buzby, MSN, CPNP-PC
Susan Melamed, MSN, CPNP-PC

Speaker Introductions

- Marianne Buzby has been a pediatric nurse practitioner in the Diabetes Center for Children at the Children’s Hospital of Philadelphia (CHOP) since 2002. Her clinical expertise is in the management of children with diabetes and she has a special interest in the care of children with chronic illnesses. Ms. Buzby is also the APP manager for Division of Endocrinology and Diabetes overseeing nursing practice at all levels within the division. She joined CHOP in 1981 as a staff nurse, and began her career there as a PNP in 1987, working in the Division of GI, Liver Transplant, and Primary Care. Ms. Buzby has co-led the APP Billing and Documentation Committee at CHOP for the last five years, creating learning modules for all APPs to complete, educating new APPs at an interactive forum and delivering education to physicians in all medical divisions of CHOP regarding billing rules and documentation requirements when working with both APPs and trainees. Her goal is to ensure all APPs understand the various billing models and the documentation requirements for each model.

Disclosures

Marianne Buzby and Susan Melamed do not have any relevant disclosures

Learning Objectives

- Differentiate direct billing, split shared billing and “incident to” billing based on provider type, site of service and funding source
- Describe the documentation requirements for a billable encounter and the variations when collaborating with other providers
- Apply lessons learned to maximize opportunities to bill for clinical care provided

Glossary – our use of terms

- APP: advanced practice provider (includes certified nurse midwife, certified registered nurse anesthetist, nurse practitioner, physician assistant, clinical nurse specialist)
- Collaborating Physician: For purposes of this presentation, collaborating physician refers to the physician in the same clinical practice as the APP
- CMS: Centers for Medicare and Medicaid Services
- Payor/payer: the person or organization that pays the bill, satisfies the claim, or settles the financial obligation for services or goods provided

Current Billing Practice
Question 1
Are you billing using "incident to" billing?

A1 Yes
B2 No
C3 Unsure
D4 I am not participating in "incident to" billing

Question 2
Are you billing using split shared billing?

A1 Yes
B2 No
C3 Unsure
D4 I am not participating in split shared billing

Question 3
Are you billing using direct billing?

A1 Yes
B2 No
C3 Unsure
D4 I am not participating in direct billing

Healthcare Value

Healthcare Value Equation

FIGURE 1: Value in Healthcare

\[
\text{VALUE} = \frac{\text{QUALITY}}{\text{COST}} = \frac{\text{Outcomes + Patient Experience}}{\text{Direct Costs + Indirect Costs}}
\]

• What is high quality healthcare?
Healthcare Value

• Why is healthcare so costly?

• How might APPs contribute to balancing the costs and the dimensions of quality to achieve high value in healthcare?

Federal and State Regulations

Centers for Medicare and Medicaid Services

• Federal
  • Part of the Department of Health & Human Services

• Administers
  • Medicare
  • Medicaid
  • CHIPS
  • Health Insurance Marketplace

Centers for Medicare and Medicaid Services

• Medicare
  • Funded by Federal Government
    • Covers 65 yr old and older
    • Under 65 with disabilities
    • End Stage Renal Failure (any age)

• Medicaid and CHIPS
  • Jointly funded by State and Federal Government
  • Administered by State, consistent with Federal Guidelines
  • No two State programs are alike

APP Practice Environment

Scope of Practice

• Varies by State
• Liberal versus Restrictive
• Collaboration versus Supervision
• Full Practice Authority
• APPs actively contribute to better patient health, better access to care, and reduced costs of healthcare, ultimately improving healthcare value

• Billing rules are based on Centers for Medicare & Medicaid Services (CMS) requirements

• State regulations influence APP practice

• Billing rules and regulations are different than Scope of Practice rules and regulations

Key Concepts

Billing Models

State Practice Environment

Key Concepts

Billing Rules & Regs ≠ Scope of Practice

State Practice Environment

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APP Billing - Key Concepts

Billing and documentation rules guided by:

- Provider type: APP, Physician
- Site of service = practice setting
- Funding source: who funds your salary?

APP Billing - Key Concepts

APP billing rules vary by **practice setting**

<table>
<thead>
<tr>
<th>Site of service</th>
<th>Possible billing models</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>&quot;Incident to&quot; billing</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>Direct billing</td>
</tr>
<tr>
<td>Hospital Outpatient Department (HOD)</td>
<td>Split Shared billing</td>
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<tr>
<td>Emergency Department</td>
<td>Direct billing</td>
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</tbody>
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APP Billing - Key Concept

- APP funding source determines billing and documentation practices
- APP must be funded (or partially funded) by the practice plan that is billing for the service
- When collaborating with a physician
  - APP and Collaborating Physician must have their clinical effort funded by the same source to utilize APP documentation to support level of service

Billing Models

- "Incident to" Billing
- Split Shared Billing
- Direct Billing

Note:
These billing models do not apply to front line critical care services provided by an APP

“Incident to” Billing

- Billing model used for **established patients** in the **office setting**
  - “Incident to” does not apply if the APP sees a new patient or an established patient with a new problem
  - APP must see patient in an exam room designated as office setting
  - Some offices are designated hospital outpatient department (HOD) and do not qualify for "incident to" billing

- Demonstration of ongoing care by Collaborating Physician
  - Examples include:
    - Periodic office visits with Collaborating Physician
    - Case conference
    - Chart review
“Incident to” Billing

- Documentation of the visit by the APP
- Collaborating physician must be present in the same office suite and immediately available
- The APP and Collaborating Physician must have their clinical effort funded by the same practice plan
- Billed by the APP under the Collaborating Physician’s name and NPI number

“Incident to” Billing - Documentation Best Practices

- Collaborating Physician in the office suite when the patient was seen:
  - does not need to document in the encounter
  - does not need to co-sign the note or letter
  - can choose to document any involvement
- APP documentation should include:
  - Patient has established care with the practice – this is not a new patient visit
  - Patient XXXX is well known to the practice and returns for follow up
  - Documentation of Collaborating Physician who was physically present in the office suite when that patient was seen
  - Dr. XXXX was physically present in the office suite when the patient was seen

Split Shared Billing

- A billing model used for new or established patients in the inpatient hospital, hospital outpatient department (HOD), or ED setting, where the patient is seen by both an APP and the Collaborating Physician
- APP and Collaborating Physician each perform a substantive portion of a face-to-face visit with the same patient on the same date of service but not necessarily at the same time
- The APP and Collaborating Physician must have their clinical effort funded by the same practice plan

Split Shared Billing - Documentation Best Practices

- Documentation should reflect involvement of both the APP and the Collaborating Physician
- Documentation examples:
  - APP documents all portions of the care provided - HPI, ROS, past medical, surgical, social family history, physical exam, medical decision making
  - Physician documents all portions of the care provided either by adding to or editing the APP documentation OR creating their own documentation to reflect the care provided
Advantages of “Incident to” and Split Shared billing

- APP working at the top of their scope
- Increased collaboration with physician
- Increased patient access to care in the practice
- Increased availability for physicians to see new patients
- Reimbursement at the physician rate

Direct Billing

- Used in any setting by APPs enrolled with Payor to bill under their own name
- APP must have their clinical effort funded by the practice plan for whom they are billing
- Billing under the APP name and NPI number
- Documentation solely by the APP

Advantages of Direct Billing

- APP working at the top of their scope
- Increased patient access to care in the practice
- Increased APP satisfaction
- Reimbursement at APP rate (typically 85% of physician rate)

Other considerations for Direct Billing

- Potential for less collaboration with physicians
- Potential for direct billers to feel more valued than those not direct billing
- Potential for decreased revenue generated by APP

Test your knowledge

An APP practicing at a primary care site sees an established patient for a sick visit. The APP diagnoses acute otitis media, develops the treatment plan and documents the encounter.

- The APP clinical effort is funded by the primary care practice plan
- This APP is enrolled with this child’s payor to direct bill

How should this visit be billed?
A1 APP name and NPI number
B2 Physician name and NPI number
C3 APP name and physician NPI number
D4 This visit is not eligible for billing
Test your knowledge

An APP practicing at a primary care site sees an established patient for a sick visit. The APP diagnoses pneumonia, develops the treatment plan, and documents the encounter.

• The APP clinical effort is funded by the primary care practice plan
• This APP is NOT enrolled with this child’s payor to direct bill

What billing model should be used?
A1 “Incident to” billing
B2 Split Shared billing
C3 Direct billing by APP
D4 The care and documentation by the APP is not eligible for billing

Test your knowledge

An APP working on an acute care floor in the hospital, obtains an updated history and examines the patient on morning rounds, revises the treatment plan, and documents the encounter. The collaborating physician evaluates the patient that afternoon, reviews the APP note, and documents pertinent parts of the history, physical and plan.

• The APP’s and collaborating physician’s clinical efforts are funded by the same practice plan

What elements meet the criteria for Split Shared billing?
A1 The APP obtains an updated history and examines the patient
B2 The APP documents a note
C3 The APP and collaborating physician evaluate the patient on the same date, at separate times
D4 The collaborating physician documents pertinent parts of the history, physical and plan
E5 All of the above

Test your knowledge

An established patient returns to the Neurology outpatient office for a follow-up visit with the APP for ongoing care of a seizure disorder. The APP obtains an updated history, examines the patient and follows the plan of care established at the previous visit.

• A collaborating physician is in the office suite when the patient is seen
• The APP’s clinical effort is funded by the practice plan
• This APP is NOT enrolled with this child’s payor to direct bill

Which billing model applies?
A1 “Incident to” billing
B2 Split shared billing
C3 Direct billing
D4 APP cannot bill for the visit

Procedures

Procedures performed by an APP
Can you do it?
• Procedures may be performed by an APP credentialed to do the procedure

Can you bill for it?
• APP may bill for a procedure using “incident to” billing or direct billing
• APP cannot bill for a procedure using Split Shared billing

APPs are often the best person to do a procedure regardless of the ability to bill for it

Test your knowledge

Which of the following statements is false?
A1 - Procedures performed in the office setting may be performed by an APP credentialed to do the procedure, and may be billed using “incident to” billing.
B2 - Procedures performed in the inpatient setting may be performed by an APP credentialed to do the procedure, and may be billed using Split Shared billing.
C3 - Procedures performed by an APP credentialed with payors to direct bill may be performed by an APP credentialed to do the procedure in the office or inpatient setting and may be billed using direct billing.
Billing Re-cap

APP working in an **Office Setting**
APP clinical effort **FUNDED** by practice plan
APP **not** enrolled as a direct biller with the payor

APP: clinical effort funded by practice plan
Established Patient
Procedures
Incident to billing
Billed under physician name and NPI

APP working in the **Inpatient Hospital, Hospital Outpatient Department (HOD)** or **Emergency Department**
APP clinical effort **FUNDED** by practice plan
APP **not** enrolled as a direct biller with the payor

APP: clinical effort funded by practice plan
HOD
New Patient Consultation Established
Inpatient or ED
Initial Hospital Day or Consultation Subsequent Hospital Day

Split Shared billing
Both APP and physician document what they have done; combination of documentation determines level of service
Billed under physician name and NPI

APP working in any **Setting**
APP clinical effort **FUNDED** by practice plan
APP **enrolled** as a direct biller with the payor

APP: direct billing
New Patient Consultation Established Patient Procedures

Billed under APP name and NPI
Attending has no documentation requirements

APP working in any **Setting**
APP clinical effort **NOT FUNDED** by practice plan
APP **not** enrolled as a direct biller with the payor

APP: clinical effort NOT funded by practice plan
New Patient Consultation Established Procedures
Initial Hospital Day or Consultation Subsequent Hospital Day

APP cannot bill for services provided
Documentation cannot be used for billing

Documentation
Documentation guidelines

• Documentation should reflect the care provided

• Regardless of your ability to bill for a service, documenting your involvement in care is important

• Documentation determines level of service billed
  • If you are responsible for determining E & M codes (evaluation and management), learn how to code
  • Do not put yourself at risk for billing fraud
  • Over-billing and under-billing are both unacceptable

Question 1
Are you using “incident to” billing correctly?
A1 Yes
B2 No
C3 Unsure
D4 I am not participating in “incident to” billing

Question 2
Are you using split shared billing correctly?
A1 Yes
B2 No
C3 Unsure
D4 I am not participating in split shared billing

Question 3
Are you using direct billing correctly?
A1 Yes
B2 No
C3 Unsure
D4 I am not participating in direct billing

Key Concepts
Key Concepts

• It is the responsibility of the APP to understand billing regulations as they apply to practice

• APPs should clarify their place of service, funding source, and ability to direct bill, to avoid unintentional billing fraud

• Being credentialed to deliver care or perform a procedure is not the same as being able to bill for that service

• APPs are often the best provider to deliver care, regardless of our ability to bill for the service

Recommendations

• If you are not funded by the practice plan where you see patients, suggest partial funding to allow for billing

• If “incident to” or split shared billing is limiting your practice, explore options for direct billing

• We need to speak knowledgeably with our clinical and administrative colleagues about billing rules and regulations in order to ensure compliance and maximize billing opportunities.