“INCIDENT TO” BILLING

Overview

“Incident to” billing is a practice that allows non-physician providers, including advanced practice registered nurses (APRNs) and physician assistants (PAs), to bill for services as “incident to” physician services — or “as if” the physician provided the service — using a physician’s National Provider Identifier (NPI).[1] The NPI is a unique 10-digit identification number issued to healthcare providers by the Centers for Medicare and Medicaid Services.

“Incident to” billing allows an APRN or PA to bill for 100 percent of the physician fee schedule using a physician’s NPI, even if the service was provided by the APRN or PA and not by the physician. In contrast, when an APRN or PA bills for a provided service under their own NPI, they are reimbursed at a lower percentage determined by individual payers (under Medicare rules, 85 percent of the physician fee schedule).[1]

“INCIDENT TO” BILLING AND MEDICARE

Under Medicare rules, specific conditions must be met for “incident to” billing for an office visit, including the following:[1]

- The service is provided in an office setting.
- Both the physician and the non-physician provider are employed by the same entity.
- The provider under whom the service is billed:
  - Is present in the office suite when the service is performed.
  - Has provided the initial service for the episode of illness or injury.
  - Continues to be involved in the care of the patient.

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"INCIDENT TO" BILLING AND OTHER PAYERS

Many commercial payers have adopted "incident to" billing to allow non-physician provider services to be billed under a physician's NPI.[2] However, there is no uniform adoption of Medicare's rules across commercial payers, necessitating that physicians review individual provider contracts and health plan rules to determine if billing non-physician provider services under a physician's NPI is permissible.[3]

MEDPAC RECOMMENDATION TO ELIMINATE "INCIDENT TO" BILLING

In January 2019, the Medicare Payment Advisory Commission (MedPAC) recommended the elimination of "incident to" billing. If adopted, APRNs and PAs would only be able to bill Medicare directly for their services and would only be reimbursed for services at 85 percent of the physician fee schedule. MedPAC estimates that eliminating "incident to" billing would generate between $50 million and $250 million dollars in savings to Medicare, annually.[4]

LIMITATIONS OF "INCIDENT TO" BILLING PRACTICES AND NPI

"Incident to" billing practices obscure the ability to assess capacity of the provider workforce. While "incident to" billing signifies an existing financial relationship between an APN or PA and a physician, the practice obscures the level of autonomy and breadth of services that may be delivered by APRNs and PAs. There are also inherent limitations in utilizing NPI data to understand the geographic distribution of APRNs for payers other than Medicare.[5] While the NPI is intended to track individual providers in the healthcare system, an APRN may register for both an individual NPI and a group NPI, or only for an individual NPI, or only for a group NPI. Either an individual or group NPI may be used on a healthcare claim. Consequently, if an APRN uses a group NPI, detailed information about the actual service provider is concealed.[5]

[1] Buppert, C., "Incident-to' Billing Explained: Who Uses It, When, and Why?" Medscape, September 30, 2016. Retrieved from https://www.medscape.com/viewarticle/869335
[2] Woodcock, E., "Commercial Payers Changing the Rules for APP Billing." SVMIC, September 2017. Retrieved from https://home.svmic.com/resources/newsletters/70/commercial-payers-changing-the-rules-for-app-billing
[3] Acevedo, J., "Incident to" Billing and Nonphysician practitioners." Rheumatology Practice Management, February 2018. Retrieved from http://rheumatologypracticemanagement.com/rpm-issues/2018/february-2018-vol-6-no-1/2901-incident-to-billing-and-nonphysician-practitioners
[4] Firth, S., "MedPAC Recommends Killing 'Incident to' Billing." MedPage Today, January 18, 2019. Retrieved from https://www.medpagetoday.com/publichealthpolicy/medicare/77528
[5] Skillman, S., et. al., "Understanding Advanced Practice Nurse Distribution in Urban and Rural Areas of the United States Using National Provider Identifier Data." WWAMI Rural Health Research Center, April 2012. Retrieved from http://depts.washington.edu/uwrhrc/uploads/RHRC_FR137_Skillman.pdf