Process: “Incident to” billing for Medicare
Associated Policy: 1.15

Definition:

“Incident to” is defined as services that are furnished incident to a physician’s (MD, DO or CNP) professional services. The following guidelines must be met:

1. The billing provider must have set the Plan of Service. (plan of care)
2. If a service is provided outside of the Plan of Service incident to does not apply.
3. Service must be an integral, although incidental, part of the physician’s professional service.
4. Commonly rendered without charge or included in the physician’s bill.
5. Of a type commonly furnished “in” a physician’s office or clinic.
6. Furnished by the physician or ancillary personnel under the physician’s direct supervision.
7. Services cannot be billed as incident to for a new patient or new problem.
8. The billing MD/DO or NPP must provide direct supervision. Direct Supervision means the following:
   a. In the designated office area and is immediately available to provide assistance and direction.
   b. Office must be a specific designated space not the entire institution.
   c. Availability by telephone does not constitute direct supervision.
   d. Physician must be “immediately” available to furnish assistance and direction.
   e. Supervision requirement is met in a physician’s clinic situation when:
      i. There is a supervising physician responsible for the services performed by the NPP or ancillary staff
      ii. Does not need to be the physician that provided the patient’s plan of care.
      iii. Does not have the same specialty as the originating physician but do have to be members of the same group and tax id number.
      iv. Billing is under the supervising physician.
   v.
Integral:

1. MD/DO or NPP performed a previous evaluation and management (E/M) service and determined the patient’s diagnosis and the plan of service.
2. MD/DO of NPP performs subsequent services of a frequency which reflects his /her active participation in and management of the course of treatment.
3. Determination of the frequency of subsequent visits should be medically appropriate for the patient’s condition.
   a. Increasing with the degree of instability and uncertainty of the situation.
4. Medical Record does not have to show that subsequent services will be with a NPP or ancillary staff.
5. Integral part of ongoing service for CSI is when:
   a. An assessment is made by the supervising provider
   b. A referral is made to the therapist from the supervising provider.
   c. The supervising provider see’s the consumer at a minimum of bi annually.
   d. The supervising provider reviews and signs off on the quarterly.

E/M Services:

1. NPP continues the treatment determined by the billing provider
2. Changes in the plan including changing a drug or the dosage of the same drug constitute a new Plan of Service and would no longer meet the requirements for incident to.

Signature Requirements:

1. Supervising provider does not need to sign documentation prepared by the NPP.
2. Signature of the person providing the service is required.
3. Cosigning the note does not qualify the service as incident to; all requirements must be met.

Services to Homebound:

1. Requires direct supervision
2. Services provided in a medically underserved area need to follow the general rather than direct physician supervision and meet the following requirements.
   a. Patient must be homebound
   b. Physician has determined the Diagnosis and Plan of Service
   c. Physician bills for services
   d. Services meet medical necessity
There is no Home Health Agency Serving the Area

Taylor Life Center / Consumer Services Inc. have implemented the following process to align ourselves with both the local and national guidelines for Medicare B.

- Whenever possible a fully licensed LMSW who is credentialed with Medicare B, will be scheduled to see all Medicare B consumers.
- When it is necessary for a limited licensed provider to see a Medicare B consumer incident to the following must occur:
  - The Medicare B consumer must see the MD, DO or CNP for an assessment for their first appointment.
  - If the MD or DO find that the consumer needs therapy they will refer the consumer to be seen.
  - The therapist will review the brief treatment plan the MD or DO prescribed and provide the psychotherapy as indicated.
  - Once scheduled with a therapist the MD, DO or CNP must be in the building at the time the service is rendered. (This does not need to be the same doctor that initially saw the consumer. Any MD, DO or CNP working for CSI can cover for the prescribing or referring provider.)
  - The prescribing or referring MD, DO or CNP needs to review and sign off on the quarterlies to keep involved in the ongoing treatment of the consumer.
  - The consumer must be seen at a minimum of biannually to meet requirement.

In summary: The consumer should always see a fully licensed credentialed provider. When this is not possible incident to billing can happen but only when the above criteria is met.