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“Incident to” Services

Provider Types Affected

All Medicare providers of professional services

Provider Action Needed

None. This article is for your information only. It clarifies when and how to bill for services “incident to” professional services.

Background

The intent of this article is to clarify any confusion about billing for “incident to” services. “Incident to” services are defined as those services that are furnished incident to physician professional services in the physician’s office (whether located in a separate office suite or within an institution) or in a patient’s home. These services are billed to your carrier as if you personally provided them, and are paid at the full physician fee schedule amount.

Note: *“Incident to” services are also relevant to services supervised by certain non-physician practitioners such as physician’s assistants, nurse practitioners, clinical nurse specialists, nurse midwives, or clinical psychologists. These services are subject to the same requirements as physician-supervised services. Remember that “incident services” supervised by physician’s assistants, nurse practitioners, clinical nurse specialists, and nurse midwives are reimbursed at 85% of the physician fee schedule when they are supervised by those non-physician practitioners. For clarity’s sake, this article will refer to “physician” services as inclusive of non-physician practitioners.*

To qualify as “incident to,” services must be part of your patient’s normal course of treatment, during which a physician **personally performed an initial service, provides direct supervision**, and remains actively involved in the course of treatment. Additionally, the patient record should document the essential requirements for incident to service.

More specifically, these services must be one of the following:

- Covered Medicare services (provided by qualified personnel);
- An integral part of the patient’s treatment course;
- Of a type commonly furnished in a physician’s office (not in an institutional setting);

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- An expense to you; and
- Of a type commonly rendered without charge (included in your physician's bills).

Examples of qualifying "incident to" services include cardiac rehabilitation, providing non-self-administrable drugs and other biologicals, and supplies usually furnished by the physician in the course of performing his/her services, e.g., gauze, ointments, bandages, and oxygen.

The following paragraphs discuss the various care settings, which are important to note because the processes for billing vary somewhat depending on the care site.

Your Office

In your office, qualifying "incident to" services must be provided by a caregiver whom you directly supervise, and who represents a direct financial expense to you (such as a "W-2" or leased employee, or an independent contractor).

You do not have to be physically present in the treatment room while the service is being provided, but you must be present in the immediate office suite to render assistance if needed. If you are a solo practitioner, you must directly supervise the care. If you are in a group, any physician member of the group may be present in the office to supervise.

Hospital or SNF

For services in a hospital or skilled nursing facility (SNF), the unbundling provision (1862 (a)(14) provides that all services provided to hospital patients (except for certain professional services personally performed by physicians and other allied health professionals) are only covered as payable hospital services that are billable to the hospital's intermediary. Therefore they are not separately billable under the physician fee schedule. Only if the services are provided not physically in the hospital and not located on hospital grounds do they qualify as "incident to" a physician's services. The same rules that apply to hospitals also apply to SNFs.

Offices in Institutions

In institutions including SNFs, your office must be confined to a separately identifiable part of the facility and cannot be construed to extend throughout the entire facility. Your staff may provide service incident to your service in the office to outpatients, to patients who are not in a Medicare covered stay or residing in a Medicare certified part of an SNF. If your employee (or contractor) provides services outside of your "office" area, these services would not qualify as "incident to" unless you are physically present where the service is being provided. One exception to consolidated billing rules in SNFs is that certain chemotherapy "incident to" services are excluded from the bundled SNF payments and may be separately billable to the carrier.

In Patients' Homes

In general, you must be present in the patient's home for the service to qualify as an "incident to" service. There are some exceptions to this direct supervision requirement that apply to homebound patients in medically underserved areas where there are no available home health services, only for certain limited services found in Pub 100-02. Chapter 15 Section 60.4 (B). In these instances, you need not be physically

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present in the home when the service is performed, although general supervision of the service is required. You must order the services, maintain contact with the nurse or other employee, and retain professional responsibility for the service. All other incident to requirements must be met.

Another exception applies when the service at home is an individual or intermittent service performed by personnel who meet pertinent state requirements (e.g., nurse, technician, or physician extender), and it is an integral part of the physician's services to the patient.

Ambulance Service

Neither ambulance services nor EMT services performed under your telephone supervision are billable as "incident to" services.

Additional Information

To provide additional clarity, we present the following scenarios:

Must a supervising physician be physically present when flu shots, EKGs, Laboratory tests, or X-rays are performed in an office setting in order to be billed as "incident to" services?

These services have their own statutory benefit categories and are subject to the rules applicable to their specific category. They are not "incident to" services and the "incident to" rules do not apply.

Can anti-coagulation monitoring be provided "incident to" a physician's services in an office?

Yes, if the requirements are met; i.e., the services are part of a course of treatment during which the physician personally performs the initial service and is actively involved in the course of treatment; is physically present in the immediate office when services are rendered by the employee; and the service represents an expense to the physician or other legal entity that bills for the service.

If the treating physician (Doctor X) refers a patient to an anti-coagulation monitoring clinic, can Doctor X bill these services as "incident to?"

No, because the services are not being provided by an employee under supervision of Doctor X.

Can the supervising physician (Doctor Y) at the anti-coagulation monitoring clinic (a physician group) bill the services as "incident to" if Doctor Y directly supervises those services at the clinic?

No, because Doctor Y is not treating the patient for the underlying condition. However, if Doctor Y receives a referral from Dr. X, and Dr. Y performs an initial evaluation of the patient and then orders and supervises the services, they may be billed by Doctor Y incident to her initial service.

If you have further questions regarding this issue, please contact your carrier at their toll-free number, which may be found at:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>

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