EVIDENCE-BASED CARE SHEET

Billing: Nurse Practitioners

What We Know

› Nurse practitioners (NPs) work in a variety of clinical settings caring for a range of different types of patients (e.g., chronic, acute, emergency, and surgical patients). The increased utilization of NPs in hospitals is in response to the decreased number of medical residents and their work hour restrictions. NPs working in outpatient and private practice settings fulfill the growing need to provide timely and cost effective care to a growing number of patients in the United States[1,10,12]
  - Hospitals that do not bill for NP services may view NPs as an expense. Hospitals should write a business plan to develop billing for NP services. The business plan should include an evaluation of third party payer reimbursement for billable NP services, state laws for NPs to provide physician services, and of the potential income resulting from NP for billable services[6]

› Medicare, third party payers, and many commercial managed care companies reimburse for services provided by contracted NPs; contracting with these organizations is an opportunity to enhance revenue for NPs. The following 2-step process is necessary to become credentialed with commercial insurance payers:[2,10,12]
  - Completion of the provider credentialing application with the Council for Affordable Quality Healthcare; for more information, seewww.caqh.org
  - Contacting the commercial insurance payer for information and forms to complete their specific credentialing and contract process

› NPs can bill for medical services rendered if the NP[8,10]
  - is a registered nurse (RN)
  - has a Master's degree in nursing
  - is authorized and licensed to perform services in the state where the NP practices
  - is nationally certified as an advanced practice nurse (APN)

› NPs must apply for a national provider identifier (NPI) number to bill Centers for Medicare and Medicaid Services (CMS) for services in the U. S.

› The CMS publishes an annual Medicare Physician Fee Schedule (MPFS; i.e., pricing amounts) for billing reimbursement under a numeric coding system in the Current Procedural Terminology (CPT)[11]

› The Healthcare Common Procedural Coding System (HCPCS) is used for procedures, supplies, products, and medical services provided for Medicare patients and for patients insured under private health insurance companies. There are 2 levels of HCPCS[11]
  - Level I is the collection of CPT codes for medical services
  - Level II identifies services not included in the CPT system (e.g., ambulance services, supplies) using an alphanumeric coding system

› The National Correct Coding Initiative (NCCI) was implemented in 1996 by the CMS to avoid inappropriate billing of bundled codes (i.e., codes that incorporate several procedures). The CMS updates the NCCI codes every quarter; for details, see https://www.cms.gov/Medicare/Coding/NationalCorrectCodInitEd/index.html [9]

› Common billing errors made by NPs include providing medically unnecessary services, lack of documentation to support medical services (e.g., level of visit billed), and incorrect coding[3]

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› If all billing guidelines are satisfied, the NP's services can be paid at a physician reimbursement rate of 100% based on the MPFS; otherwise, the NP services must be billed under the NP's NPI for a reimbursement rate of 85%. Types of billing for NP services include the following:[3,4,5,10,12]

- Incident-to is a type of billing in which a physician or NP can legally bill for work that was not personally performed (e.g., the NP sees the physician's patient in a follow-up visit). Incident-tois only applicable in an outpatient office setting
  - Provisions to bill incident-to include the physician employing or contracting with the NP and the physician conducting the initial service. The physician must also be physically present in the office where services are rendered at the time the NP is providing care, and remain involved in the care of the patient
  - Incident-to cannot be used to bill for services in a skilled nursing facility (SNF) unless the physician has an outpatient office in the SNF, the service is provided in the SNF, and the physician is present during the time the NP services are rendered
- Shared-visit billing applies to care provided in inpatient, outpatient clinic, and emergency department (ED) settings and is not allowed for billing in a private outpatient office. The physician who employs the NP can bill for the services rendered by the NP under the physician provider number if the physician has also provided at least a face-to-face visit with the same patient on the same day

› NPs can use the same CPT codes as physicians for evaluation and management (E & M) and a modifier code (i.e., an additional code for use when the CPT code does not exactly fit the medical procedure or service provided, e.g., taking a longer time for a procedure) is not necessary unless the NP assists during surgery[12]

› Experts recommend that NPs take a CMS coding class specific to their geographic work region and specialty. Avoiding billing errors with Medicare is based on the following principles:[3,7]

- NPs are able to bill for services for which a physician can bill and that are within the NP scope of practice; this includes in any clinical setting and in any geographic location
- NPs are not allowed to supervise medical residents for billing purposes
- NPs are not allowed to bill for services performed by both the NP and medical students
- Documentation must substantiate medical necessity for inpatient hospitalization and all services rendered
- Understanding and following the guidelines for the types of billing processes (e.g., shared visits) is important
- Do not perform services that are not medically necessary
- Sign and date all medical records in a legible signature; electronic signatures are acceptable but avoid using signature stamps
- Understand Medicare's governing rules for CPT coding and documentation; for more information, see https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/MLN-Publications-Items/CMS1

› NPs are legally accountable for supplying accurate information for billing purposes. Signing a Medicare enrollment application is considered evidence that the NP is aware of billing rules. Intentionally manipulating coding for maximum payments is considered fraud[3,5]

› NPs who suspect that improper billing is occurring should communicate this information to the billing department. It is appropriate for NPs to review billing information and to ask for corrections. NPs are required to report improper billing to Medicare to maintain compliance in the event that billing personnel do not make proper corrections[3,5]

- Improper billing of incident-to services was one of the most frequent self-disclosures by NPs regarding improper billing in 2010[4]

What We Can Do

› Become knowledgeable about billing for nurse practitioner services so you can support the billing process in your facility and better educate your patients regarding what to expect for healthcare costs and payment; share this information with your colleagues

› Maintain thorough patient documentation to demonstrate medical necessity

› Initiate the credentialing process with Medicare, third party payers, and commercial managed care companies to enhance revenues

› Enroll in a CMS coding course specific to your specialty and work region to enhance your knowledge of billing and maximize reimbursement

› Follow the recommended principles for avoiding billing errors

› Communicate with your facility's billing department to avoid or to correct billing errors

› Refer to the Medicare Claims Processing Manual for billing eligibility and E & M requirements; see http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c12.pdf

Note

Recent review of the literature has found no updated research evidence on this topic since previous publication on December 11, 2015.

Coding Matrix

References are rated using the following codes, listed in order of strength:

M	Published meta-analysis	**RV**	Published review of the literature	**PP**	Policies, procedures, protocols
SR	Published systematic or integrative literature review	**RU**	Published research utilization report	**X**	Practice exemplars, stories, opinions
RCT	Published research (randomized controlled trial)	**QI**	Published quality improvement report	**GI**	General or background information/texts/reports
R	Published research (not randomized controlled trial)	**L**	Legislation	**U**	Unpublished research, reviews, poster presentations or other such materials
C	Case histories, case studies	**PGR**	Published government report	**CP**	Conference proceedings, abstracts, presentation
G	Published guidelines	**PFR**	Published funded report		

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