Billing of Shared/Split Evaluation and Management Services

February 19, 2003

The following is a synopsis of the regulations and documentation guidelines on shared/split evaluation and management (E/M) services. We are also providing clinical scenarios and frequently asked questions that HGSAdministrators has developed with the assistance of one of our Carrier Advisory Committee (CAC) members and clarifications from the Centers for Medicare and Medicaid Services (CMS). This information is provided to assist physicians in billing the Medicare Program for shared/split E/M services.

CMS issued on October 25, 2002, Change Request (CR) 2321. This CR updated ***Medicare Carriers Manual*** § 15501, guidelines for E/M services. Specifically, this update provides guidelines for the billing and reimbursement of E/M services provided by both the physician and non-physician practitioners in the same group practice. On November 6, 2002, HGSAdministrators provided information regarding these changes in an article entitled, "Billing of Shared/Split Evaluation and Management Services."

It is important to note that the guidelines in CR 2321 were issued on October 25, 2002; however, they are retroactive for services rendered on or after July 1, 2001.

Physicians and non-physicians should select the code for the service based on the content of the service. Payment for medically necessary services will be issued at the appropriate physician fee schedule amount based on the rendering PIN. "Incident to" Medicare Part B payment policy is applicable for office visits when the requirements for "incident to" are met.

Office/Clinic Setting – In the office/clinic setting when the physician performs an E/M service, the service *must* be reported using the physician's PIN. When an E/M service is a shared/ split encounter between a physician and a non-physician practitioner (NP, PA, CNS or CNM), the service is considered to have been

performed "incident to" if the requirements for "incident to" are met and the patient is an established patient. If "incident to" requirements are not met for the shared/split E/M service, the service *must* be billed under the non-physician's PIN, and payment will be made at the

appropriate physician fee schedule payment.

Hospital Inpatient/Outpatient/Emergency Department Setting – When a hospital inpatient/ hospital outpatient or emergency department E/M is shared between a physician and an NPP from the *same group practice* and the physician provides any face-to-face portion of the E/M encounter with the patient, the service *may* be billed under *either* the physician's or the non-physician's PIN number. However, if there was no face-to-face encounter between the patient and the physician (e.g., even if the physician participated in the service by only reviewing the patient's medical record) then the service *may only be billed* under the non-physician's PIN. Payment will be made at the appropriate physician fee schedule rate based on the PIN entered on the claim.

The following are the key issues to consider when billing for a shared/split E/M service:

Ø For the purposes of these guidelines a non-physician practitioner (NPP) is a nurse practitioner, clinical nurse specialist, certified nurse midwife, or a physician assistant.

Ø The service must be within the scope of practice for the NPP.

Ø The service must be "reasonable and necessary" as defined by Title XVIII of the Social Security Act, Section 1862(a)(1)(A).

Ø The code should be selected based upon the content of the service.

Ø The duration of the visit is an ancillary factor, and does not control the level of the service to be billed unless more than 50 percent of the face-to-face time (for non-inpatient services) or more than 50 percent of the floor time (for inpatient services) is spent providing counseling or coordination of care.

Ø In the rare circumstance when a physician (or NPP) provides a service that does not reflect a CPT code description, the service *must* be reported as an unlisted service with CPT code 99499. A description of the service must accompany the claim. (See additional information provided below.)

Ø "Incident to" Medicare Part B payment policy is applicable for office visits when the requirements for "incident to" are met and the patient is an established patient. (See the ***Medicare Carriers Manual*** §§ 2050.1, 2050.2, and 15501 Subsection G.)

Ø Payment will be issued at the appropriate physician fee schedule amount based on the rendering UPIN/PIN.

Ø The NPP service and the physician service may occur jointly or at independent times on the same calendar day.

Ø The total documentation by both the NPP and the physician should support the level of service reported.

Documentation of the Shared/Split Evaluation and Management Service

The medical record must clearly identify both the NPP and the physician who shared/split in rendering the service. The physician documents his/her encounter with the patient at the time of the service. The physician documentation should be linked to the NPP documentation of the shared/split service, and affirmatively state one (or more) element(s) of the encounter. This one (or more) element(s) may be an element of history, physical examination, or medical decision-making. Additionally, the NPP portion of the service must be within the scope of practice of the non-physician practitioner as defined by Pennsylvania state law.

Clinical Scenarios and Corresponding Examples of Documentation

The following scenarios and corresponding examples of documentation are for the hospital inpatient/outpatient/emergency department settings. The examples are interchangeable within these various places of service.

1. NPP sees a *hospital inpatient* at one time and documents his/her service. The physician, later in the day, has a face-to-face encounter with the patient, personally verifies one (or more) element(s) of the NPP encounter, and documents his/her participation in the medical record. Either the physician or NPP may report the service based on the combined documentation.

   Acceptable documentation: The NPP documents a detailed examination, high complexity medical decision-making, and a legible signature. The physician may write: "Seen and agree. Less abdominal pain today. Legible physician signature." "Agree with above. Lungs clear. Legible physician signature."

   Unacceptable documentation: "Noted. Proceed with endoscopy. Legible physician signature." (This documentation fails to establish the face-to-face encounter by the physician with the patient.)

2. The NPP sees a *hospital outpatient* for a follow-up encounter and documents the service. The physician then joins the NPP and the patient, and personally verifies one (or more) element(s) of the NPP encounter.

   Acceptable Documentation: The NPP documents a complete examination, moderate complexity medical-decision making, and the physical presence of the physician during a portion of the NPP encounter (although it is not mandatory that the physician be present with the NPP during the encounter). The physician documents his/her portion of the encounter. Legible physician and NPP signature.

   Unacceptable Documentation: The NPP documents an expanded problem focused physical examination and moderate complexity decision making, with a legible signature. The note is co-signed by the physician. (This documentation fails to

establish the physical presence of the physician and fails to demonstrate personal participation of the physician in the service rendered.)

3. The NPP sees a patient in the *Emergency Department*. During the encounter, the NPP is called to assist in another case. A physician performs a portion of the service (e.g. orders a test or medication) before the NPP returns to complete the service.

   Acceptable Documentation: The NPP documents a comprehensive history, a complete examination, high complexity decision-making, and the physical presence of the physician (although it is not mandatory that the physician be present with the NPP during the encounter). The physician documents his/her portion of the encounter. Legible physician and NPP signatures.

   Unacceptable Documentation: The NPP documents a comprehensive examination and high complexity decision making, with a legible signature. The physician discusses the patient's status with the family without the patient being present. The physician documents the conversation in the patient's medical record, with a legible signature. (This documentation fails to establish the face-to-face encounter by the physician with the patient.)

Clinical Scenarios Provided by CMS

1. If the non-physician practitioner (NPP) sees a hospital inpatient in the morning and the physician follows with a later face-to-face visit with the patient on the same day, the physician or the NPP may report the service.

2. In an office setting the NPP performs a portion of an E/M encounter and the physician completes the E/M service. If the "incident to" requirements are met, the physician reports the service. If the "incident to" requirements are not met, the service must be reported using the NPP's PIN.

Unlisted Service, CPT Code 99499

In the rare circumstance when a physician (or NPP) provides a service that does not reflect a CPT code description, the service must be reported as an unlisted service with CPT code 99499. A description of the service provided must accompany the claim. The carrier has the discretion to value the service when the service does not meet the full terms of a CPT code description (e.g., only a history is performed). The carrier also determines the payment based on the applicable percentage of the physician fee schedule depending on whether the claim is paid at the physician rate or the non-physician practitioner rate. CPT modifier -52 (reduced services) must not be used with an evaluation and management service. Medicare does not recognize modifier -52 for this purpose.

Frequently Asked Questions

Q: Can a procedure be billed using the shared/split billing rules?

A: No. Only evaluation and management services (CPT codes 99201-99399) may be billed using the shared/split billing mechanism. All other procedures may be billed under the physician's provider number pursuant to the "incident-to" rules and regulation, or independently under the NPP's provider number. ("Incident-to" service requirements are detailed in Chapter 13 of the ***Medicare Part B Reference Manual*** (available at www.hgsa.com), as outlined by the ***Medicare Carrier Manual*** §§ 2050.1, 2050.2, and 15501 Subsection G.) (Available at www.cms.gov).)

Q: Can I apply the shared/split billing rules to medical students? Residents? Nurses? Other personnel in my employ or under my supervision?

A: No. The shared/split billing rules apply only to NPPs.

Q: Does the NPP have to be in my direct employ?

A: No. For any setting, the NPP may be directly employed by the physician, physician group, or entity that employs the physician(s). The NPP services may also be leased by the physician, physician group, or entity that employs the physician(s) or an independent contractor.

Q: Must the NPP be in my provider group?

A: Yes. Regardless of the employment arrangement (e.g., W-2 employee, leased or independent contractor) between the NPP and the physician, physician group, or entity that employs the physician(s), the NPP's provider number must be linked to provider group of the physician rendering the shared/split service.

Q: Can the NPP and the physician bill for a shared/split E/M service based on their pooled time dedicated to counseling/coordinating care?

A: Yes. The NPP and the physician may pool their non-overlapping time spent counseling/ coordinating care in the hospital inpatient/outpatient/emergency

department setting. In the hospital inpatient/outpatient/emergency department setting, the NPP and the physician both act as independent providers who jointly deliver a shared/split service, with the option to bill under either individual's provider number. However, in the office/clinic setting, the shared/split service is reported under the physician's provider number after having met "incident-to" requirements. According to § 15501 Subsection C of the ***Medicare Carriers Manual***, counseling by other staff is not considered to be part of the face-to-face physician/patient encounter time. Therefore, reporting pooled time is not allowed under "incident-to" guidelines and prohibited in the office/clinic setting.

Q: Can the NPP and the physician bill for a time-based E/M service based on their pooled time?

A: Yes. The NPP and the physician may pool their non-overlapping time for the time-based codes (e.g. discharge day management, CPT 99238-99239). This, however, does not include critical care services at this time.

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