

Commercial Payers Changing the Rules for APP Billing

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The reimbursement of services provided by advanced practice providers is a complex issue. Guidelines may vary based on the type of APP, and the rules surrounding APPs are impacted by federal and state regulations, facility-imposed standards of care, and billing requirements. The latter may include payer-specific protocols, which may differ by local Medicare contractor. In most cases, services provided directly by an APP (and billed as such) are reimbursed at 85 percent of the allowable physician rate.^[1] When billed under a physician's identification – often referred to as “incident to,” which is a Medicare term – the services are paid at 100 percent. To date, most commercial payers have followed “incident to” guidelines, allowing APPs to be billed under the physician without much ado.

Recent announcements by Blue Cross Blue Shield of Tennessee and United Healthcare have given even more complexity to this issue. If your practice employs an APP, it's important to be aware of the following promulgations by these major payers regarding requirements for billing for APPs:

- *BlueCross [of Tennessee] requires all nurse practitioners and physician assistants to be credentialed and contracted before providing services to its members. This includes nurse practitioners and physician assistants who are employed by a physician group already contracted with BlueCross. This requirement went into effect on Jan. 1, 2017. For more information, [click here](#).*
- *Effective for claims with dates of service on or after September 1, 2017, United Healthcare... [is] requir[ing] physicians reporting evaluation and management (E/M) services on behalf of their employed Advanced Practice Health Care Professionals, to report the services with a modifier to denote the services were provided in collaboration with a physician. United Healthcare will accept the modifier SA on claims for these services when provided by nurse practitioners, physician assistants and clinical nurse specialists. In addition, the rendering care provider's national provider identifier (NPI) must also be documented in Field 24J on the CMS-1500 claim form or its electronic equivalent. Use of the modifier SA and documentation of the rendering care provider will assist United Healthcare in maintaining accurate data with regard to the types of practitioners providing services to its members. For more information, [click here](#).*

These announcements signal a spotlight on payers' treatment of APPs as separate and distinct providers of care. Only time will tell if these new policies lead to better – or worse – reimbursement rates for these practitioners.

[1] Certified nurse midwives are paid at 100% of the Medicare allowable.

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