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Welcome to PMI’s Webinar Presentation

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Meet the Presenter…

Rhonda Granja
CMC, CMIS, CMOM, CPC,
CPM, MCS
Faculty
Practice Management Institute

On the topic:
Working with Physician Extenders
Working with Extenders

Analogy

“Physicians performing all work is similar to automotive engineers changing sparkplugs”

Frees up MD to perform more difficult work, expand the practice, increase net income

How are you utilizing the NPP?
Why Hire (PEs) Physician Extenders?

• PEs can handle 80% of primary care at 50% of cost
  ▪ Rand study show NP/PA inter-changeable
  ▪ PAs more technical/surgical,
    NPs more education/prevention

• RX for MD stress!

Education

• A nurse practitioner is a registered nurse with a master’s degree in nursing. Non-registered nurses cannot be Nurse Practitioners. NP’s are licensed and governed by the Board of Nurse Examiners for the state they are practicing in and certified by various nursing specialty organizations.
• A physician assistant has an undergraduate or master’s degree from an approved PA program. It is possible for an RN or LVN to be a PA. These NPPs are licensed and governed by the State Board of Medical Examiners and also the State Board of Physician Assistant Examiners for the state of practice.

Protocols

• Protocol requirements for nurse practitioners and physician assistants are different. NP’s must have collaboration agreement with the physician with which they relate even if one is not required by their state laws. They must have written authorization to provide the medical aspect of patient care that are agreed upon and signed by the NP and the physician. These protocols must be reviewed and signed at least annually and maintained in the practice setting of the NP.
• Protocols are defined to promote the exercise of professional judgement by the NP based on their education and experience. Such protocols need not describe the exact steps that the NP must take with respect to each specific condition, disease, or symptom and may state types or categories of drugs which may be prescribed rather than just life specific drugs.

• Each team of physicians and PA’s are obligated to ensure that the PA’s scope of practice is defined. The relationship of each of the members of the team must also be defined. The relationship of and access to the supervising physician must be spelled out. The team must ensure that the delegated medical tasks are appropriate for the level of the PA’s competency. A process for evaluation of the PA’s performance must also be established and described.
**Reimbursement (Medicare)**

- NP’s and clinical nurse specialists may assign the right to payment to the employer, (this must be done for the employer to be able to receive reimbursement for their services), have independent contractor relationships when their services are billed under their own provider numbers, and even establish independent practice groups.

- PA’s must comply with state laws about physician supervision and the protocol by which they collaborate with a physician. They cannot establish independent practice groups but they can have independent contractor relationships when their services are billed under their own provider numbers and payment reassigned to their employer.
Reimbursement

- Be sure to look at documentation!!

- Medicaid
- Private Carriers
- MEDICARE

- Provider-Based Facility vs. Office-Based Facility? This designation is determined by Medicare.

E&M Split/Shared Visit

- Some physicians confuse this with “Incident To” billing.

- Place of service is everything!

- Services must be reasonable and necessary!
Extenders used for:

• Assessment
• DX
• Development of Tx plan
• Implementation of plan
• Follow-up and evaluation of patient
• Patient education
• Facilitate utilization of health care system

Extenders Perform:

• Well baby, child exams
• GYN/OB
• Primary Care/IM Subspecialty/Derm/Surgery
• H & P’s
• Discharge summaries
• Nursing home visits
• Reduce fractures
• Primary Care
• Admitting
• Perform procedures/assist in surgery
Location of Incident-to Guidelines

• Internet Only Manual (IOM)
  ▪ Publication 100-2, Chapter 15, Section 60.1

•WPS – Medicare Part B Policies
  ▪ PHYS-004 (National Coverage Provision)
    http://www.wpsmedicare.com/part_b/policy/policy_active.shtml

What is Incident-to?

It is a Medicare guideline ONLY!

“Incident to a physician’s professional services means that the services or supplies are furnished as an integral, although incidental, part of the physician’s personal professional services in the course of diagnosis or treatment of an injury or illness”
The Office of Inspector General has instructed us that patient care is and should be our number one priority!

Benefits

- Increased patient access to services
- Ability to provide more patient education
- Increased positive patient relations, retention and marketing
- Increased patient compliance with advice
Excuses

• Don’t need
• Compromise care
• Patients/Referring MDs won’t accept
• Not enough value
• Can’t bill for services
• Hospitals won’t grant privileges

Medical Economics

2.18.15
Christopher Bernard, JD

• American Association of Physician Assistants
  => 85,000 certified PAs more than 2x practicing 10 years ago.

• American Association of Nurse Practitioners
  => 192,000 presently employed
Within the physician recruiting space specifically, employers note that they have the most difficulty hiring for family medicine, psychiatry, internal medicine and a variety of other specialties.

Hiring the right physician extender

- Negligent Hiring
  - DO BACKGROUND CHECKS
  - Corporatescreening.com
  - Reference checks
  - License checks
  - Oig.gov/exclusions
Recruiting

- Where to find? Contact the national organizations
- Contact physician recruiting firms
- Advertise in NP/PA journals
- 6 job offers for every graduating PA (How has this shifted?)

What to offer?

- CME
- Vacation, sick leave
- Dues
- Malpractice
- Moving expenses
- Prepare a written employment contract/letter of hire
- Protect practice lists/trade secrets
MGMA  July 2015

• Average signing bonus NP = $5,000

Employee vs. Independent Contractor

• Check with Atty and CPA

• Usually NP/PA is employee

• Penalties for false classification of Independent Contractor
Extender Profitability

• Many physicians who employ PEs do not track the productivity of these extenders, so consequently do not know whether or not they are profitable.

• It is very important to insurance credential the PEs and identify as the rendering provider when performing any patient care duties.

• The patient care work the PEs perform, the billing software will track the PEs productivity by billed charges and payments.

Typical Profit – FP

Collections Ave. = $222,000

Overhead = $107,500 (50%)

(benefits)

Salary = $87,360

Profit = $27,140

Average Profit = $20,000-$50,000
Incentive Bonus Based on Productivity

Example:

Base Salary
= $42 per hour/40 hours per week
= full time work at 2,080 hours per year
= $87,360 per year salary

Direct Costs

<table>
<thead>
<tr>
<th>NP/PA Direct Costs</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 87,360.00</td>
<td>Base Salary</td>
<td>$42/hour</td>
</tr>
<tr>
<td>$ 6,683.04</td>
<td>Payroll taxes</td>
<td>7.65%</td>
</tr>
<tr>
<td>$ 7,200.00</td>
<td>Health/dental/benefits</td>
<td>$600/month</td>
</tr>
<tr>
<td>$ 2,620.80</td>
<td>Pension/Profit sharing</td>
<td>3%</td>
</tr>
<tr>
<td>$ 1,000.00</td>
<td>Malpractice Insurance</td>
<td>$1000/year</td>
</tr>
<tr>
<td>$ 800.00</td>
<td>Continuing Education</td>
<td>$800/year</td>
</tr>
<tr>
<td>$ 105,663.84</td>
<td>TOTAL DIRECT COSTS</td>
<td></td>
</tr>
</tbody>
</table>
### Indirect Costs

<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>NP/PA Direct Costs</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 105,663.84</td>
<td></td>
<td>55 %</td>
<td>TOTAL Overhead ratio</td>
</tr>
<tr>
<td>$ 105,663.84</td>
<td></td>
<td>- 3 %</td>
<td>subtract Owner Direct Expenses</td>
</tr>
<tr>
<td>$ 105,663.84</td>
<td></td>
<td>52 %</td>
<td>= Operations Overhead ratio</td>
</tr>
<tr>
<td>$ 220,133.00</td>
<td>Breakeven</td>
<td></td>
<td>= NP/PA Direct Costs / 48%</td>
</tr>
<tr>
<td>$ 114,469.16</td>
<td>Overhead</td>
<td>52 %</td>
<td>multiply Operations Overhead Ratio</td>
</tr>
<tr>
<td>$ 105,663.84</td>
<td>NP/PA Wage (NP/PA Direct Costs)</td>
<td>48 %</td>
<td>= Breakeven - Overhead</td>
</tr>
</tbody>
</table>

### Incentive Bonus

<table>
<thead>
<tr>
<th>Bonus Calculation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 235,000.00</td>
<td>Actual collections for NP/PA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 220,133.00</td>
<td>subtract Breakeven point</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 14,867.00</td>
<td>Difference Collections - Breakeven</td>
<td>A</td>
<td>100%</td>
</tr>
<tr>
<td>$ 7,730.84</td>
<td>Allocation for Operations Overhead %</td>
<td>B</td>
<td>52%</td>
</tr>
<tr>
<td>$ 7,136.16</td>
<td>Remainder for division Owner-NP/PA</td>
<td>C</td>
<td>48%</td>
</tr>
<tr>
<td>$ 4,460.10</td>
<td>ROI Owner MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 2,676.06</td>
<td>Bonus to NP/PA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 14,867.00</td>
<td>Equals Difference Collections - Breakeven</td>
<td>A</td>
<td>equals 100%</td>
</tr>
</tbody>
</table>
Protocols and Scope of Practice

• Know Your State Laws!!

• Have written protocols
  ▪ Check with Attorney for clarity
  ▪ Contact Malpractice Carrier for Advice

Legal and Supervision

• MD on premises for Medicare except nursing homes and underserved areas

• Prescriptions

• Chart review and countersign

• CME requirements

• Liability – Extenders have low malpractice claims
Legal and Supervision

• Most malpractice carriers report good experience and reduced exposure with extenders due to the time/attention spent with patients.

• National Practitioner Data base only 3.1% of payments made due to PAs and 1.5% to NPs.

• Average time for MD to supervise = 2-5 hrs/wk
Supervision

• Example of case law (California).. Sound familiar?
  ▪ Physically present
  ▪ Telephone present
    o According to regulations, the physician must be in the same facility
      with the PA or be immediately available by electronic
      communications.
  ▪ Number of extenders an MD can supervise
    o Current law allows a physician to supervise no more than four
      physician assistants (PAs) at any moment in time.

Areas of Liability

• Allowing PE to see patient too many times w/o
  seeing an MD
• Access/Collaboration/Communication MD & PE
• Review of charts
• Performance evaluations
• Continuing Education for PE
There are four methods for providing supervision of a physician assistant.

1. The physician sees the patients the same day that they are treated by the PA.

2. The physician reviews, signs and dates the medical record of every patient treated by the physician assistant within thirty days of the treatment.

3. The physician adopts written protocols, which specifically guide the actions of the PA. The physician must select, review, countersign and date a sample, consisting of, at a minimum, 5 percent of the medical records of patients treated by the physician assistant functioning under the protocols within 30 days of the date of treatment by the physician assistant.

4. Or, in special circumstances, the physician provides supervision through additional methods approved in advance by the Board.
PA

- Delegation of Services Agreement – For the mutual benefit and protection of patients, physicians and their Pas, the PA regulations require the physician to delegate in writing, for each supervised physician assistant, those medical services which the PA may provide. That document is often referred to as a Delegation of Services Agreement. A sample is available on the Board website www.pac.ca.gov

- Medical tasks, which are delegated by a supervising physician, may only be those that are usual and customary to the physician’s practice.

Drug Orders • Pharmacy Law
(Business and Professions Code Section 4000 et seq.)

- Authorizes licensed pharmacists to dispense drugs or devices based on a PA’s “drug order”. Current law also allow Pas to obtain their own DEA numbers for use when writing prescription drug orders for controlled substances.

- Current law permits physician assistants to write and sign prescription drug orders when authorized to do so by their supervising physicians for Schedule II-V medication.

- A PA may only administer, provide, or transmit a drug order for Schedule II through Schedule V controlled substances with the advance approval by a supervising physician for a specific patient unless a physician assistant completes an approved education course in controlled substances, and if delegated by the supervising physician. If a physician assistant chooses not to take the educational course, the requirements for patient-specific authority remain unchanged.
Drug Orders • Pharmacy Law
(Business and Professions Code Section 4000 et seq.)

- In order to ensure that a PA's actions involving the prescribing, administration or dispensing of drugs is in strict accordance with the directions of the physician, every time a PA administers or dispenses a drug or transmits a Schedule II drug order, the physician supervisor must sign and date the patient's medical record or drug chart within seven days.

2015 CA Law – Physician Assistants

SB 1083 allows physician assistants to begin certifying an employee’s disability for Unemployment Insurance (UI) purposes. The law will take effect January 1, 2017

It will expand the definition of practitioners under the UI code to also include physician assistants who have performed physical exams under the supervision of a physician and surgeon.
Billing

• A physician’s co-signature is not useful in obtaining reimbursement.

• If billing Medicare under the incident-to rules, a physician must follow the incident-to rules, which say nothing about co-signature. For example, if an NP conducts a visit with a new patient, the practice must make a choice – bill the visit under the NP’s provider number or bill the visit under the physician’s provider number, and have the physician, not the NP, perform and document the portions of the evaluation relevant to the choice of procedure code.

• The physician’s signature or writing “agree” on an NP’s evaluation will not suffice for Medicare. Other insurers may have different rules, but no insurer pays extra if a physician cosigns an NP’s records.

Inadequate Documentation

• “Patient seen” signed by the physician

• “Seen and examined” signed by the physician

• No comment at all by the physician, or only a physician signature at the end of the note
From Medicare re: “incident to”

I am responding to your question about the clarification under the “incident to” proposal under the Physician Fee Schedule NPRM that was published in the Federal Register on July 15, 2015. The proposal is intended to clarify that the ordering physician or other practitioner and the supervising physician or other practitioner DO NOT need to be one and the same. Rather, the proposal is intended to clarify that the physician or other practitioner who bills for the “incident to” service must always be the supervising physician or other practitioner.

I hope that my response is helpful to you.

Thank you.
Regina Walker-Wren
Centers for Medicare and Medicaid Services
Center for Medicare/Health and Ambulatory Policy Group
Division of Practitioner Services

Ginny Martin - NSCHBC member and Medicare Coding expert

“That means that one physician can create a treatment plan, but a different physician can oversee the NPP who is providing the incident to care. It’s just that the overseeing physician must bill the service – not the physician who created the treatment plan. You would be shocked how many practices were billing it under the doc whose patient it was so they would get credit, since they created the treatment plan.”
Marketing and Patient/Referral MD Acceptance

- Introduce to patients and referring MDs
- Have AAPA and AANP brochures in waiting room
- Instruct PEs to always wear nametag with title and correct Patient if calls “Doctor”

Other Extenders

- Advice RNs, Health Educators, Exercise Physiologists, Physical Therapists, Dietitians, Social Workers, MFCCs
- Delegate to save time and costs
- Behavioral health can utilize different levels of professionals to achieve profitability
Questions?

Thank you for your attendance!

Contact information: Rgranja@pmimd.com