



Warning: Medicare permits procedures to be billed incident-to if state law permits it and direct supervision is provided. However, some states allow non-physicians to perform procedures without physician supervision. If this occurs and **direct supervision wasn't provided, the services can't be billed incident-to** and the non-physicians must use their own names and identifiers.

Other non-physicians can bill incident-to non-physician practitioners, assuming all other incident-to requirements are met, including established plan of care and direct supervision by a physician or non-physician practitioner. This "extends the physician extender" but by billing under a non-physician's name and identifier, the reduced payment rate (again, typically 85% of the physician's rate) will apply.

What type of documentation is required for "incident-to" services?

The same documentation requirements for other services also apply to incident-to. Specifically:

- The medical record needs to be complete and legible.
- The documentation of each patient encounter should include:
 - The reason for the encounter and relevant history, physical examination findings, and prior diagnostic test results;
 - Current assessment, clinical impression or diagnosis;
 - Medical plan of care;
 - Date and legible identity of the person providing the service.
- If not documented, the rationale for the ordering diagnostic and other ancillary services should be easily inferred.
- Past and present diagnosis should be accessible to the treating and/consulting physician.
- Appropriate health risk factors should be identified.
- The patient's progress, response to and changes in treatment, and revision of diagnosis should be documented.
- CPT and ICD-9 codes reported on the health insurance claim form or billing statement should be supported in the documentation in the medical record.

In addition, the **following items are specific to incident-to** and should be in your documentation:

- If the office (POS 11) is physically located in a SNF or regular nursing facility (POS 32) – a rare scenario – the documentation should show that the office was located in a designated area within the larger facility.
- For a home visit (POS 12), the documentation should clearly show the physician was physically present in the patient's home at the time of service.

What payer-specific rules apply to "incident-to" services?

Medicare created the concept of incident-to services in 2001, a direct response to the increase in non-physician extenders being used in practices. That trend has increased significantly since 2001, and now most commercial payers either have their own incident-to rules, or simply follow Medicare's.