

AMERICAN ACADEMY OF NURSE PRACTITIONERS

Incorporated 1985

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MEDICARE REIMBURSEMENT FACT SHEET

Legislation calling for Medicare reimbursement for nurse practitioners regardless of setting was passed by Congress and signed into law by the president on August 4, 1997. The new legislation became effective January 1, 1998.

Contents of the Bill

This legislation calls for direct reimbursement to nurse practitioners for providing Medicare Part B services that would normally be provided by physicians. The bill states that these services are not restricted by site or geographic location. Under the previous statute, nurse practitioner reimbursement was restricted to rural areas, long term care facilities and a service labeled “incident to” which is limited to follow-up care (i.e. no new patients and no old patients with new problems) in an office setting with a physician on site. It is the intent of this legislation that the “incident to” billing mechanism will no longer need to be used by nurse practitioners who now will be classified as Part B providers. Under this legislation nurse practitioners may see all new patients and old patients without restriction. There are no limitations on CPT codes as long as visits meet the established Medicare E and M requirements. The legislation also calls for nurse practitioners to be reimbursed for assisting at surgery.

Reimbursement rates

Under this legislation, nurse practitioners are being reimbursed at the rate of 80% of the lesser of the actual charge or 85% of the fee schedule amount for physicians (Section 1848). In the case of assistant at surgery, the reimbursement is 80% of the lesser of the actual charge, or 85% of the amount that would otherwise be recognized if performed by a physician who is serving as an assistant at surgery. These rates are the same rates that were previously paid to nurse practitioners in rural settings and nurse practitioners providing services in long term care facilities. Nurse practitioners cannot collect fees if their services have been billed through some other mechanism, i.e. payment twice for the same service is prohibited.

A concern was raised that money would be lost under this law because nurse practitioners are not able to bill at 100% of the physician rate as is done when billing for “incident to” services. In response to that concern, it should be noted that the number of visits that can legitimately be charged in this category are so small, that the upside of allowing reimbursement for all visits regardless of level of visit or the location of physician, far exceeds any downside that might exist from charging the lower fee for those few visits that might be covered under the old regulation. It should be noted that the Centers for Medicare and Medicaid Services (CMS) continue to examine the issue of “incident to” as it applies to all providers within the Medicare system.

Obtaining an NPI Number

New practitioners may apply for an NPI number by going to National Plan and Provider Enumeration System (NPPES) at www.cms.hhs.gov/NationalProvIdentStand/Downloads/Revised_NPPES_Enhancements.pdf click on National Provider Identifier then click on Application. NPI numbers are utilized for all electronic billing transactions in the Medicare system.

Physician Presence

Under this law, a physician does not have to be “on site” in order for nurse practitioners to receive reimbursement for their services. According to the statute, authorized services and the physician relationship for reimbursement is defined by the state’s Nurse Practice Act and the Rules and Regulations for nurse practitioners.

If you have questions or run into difficulties as you implement the process for obtaining reimbursement for your services through Medicare, please contact the Academy Health Policy Office at the above location.

The largest full service Nurse Practitioner organization representing the 140,000 Nurse Practitioners in all Specialties