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Market Considerations for Upcoming Split/Shared Billing Changes

AAPA 2023

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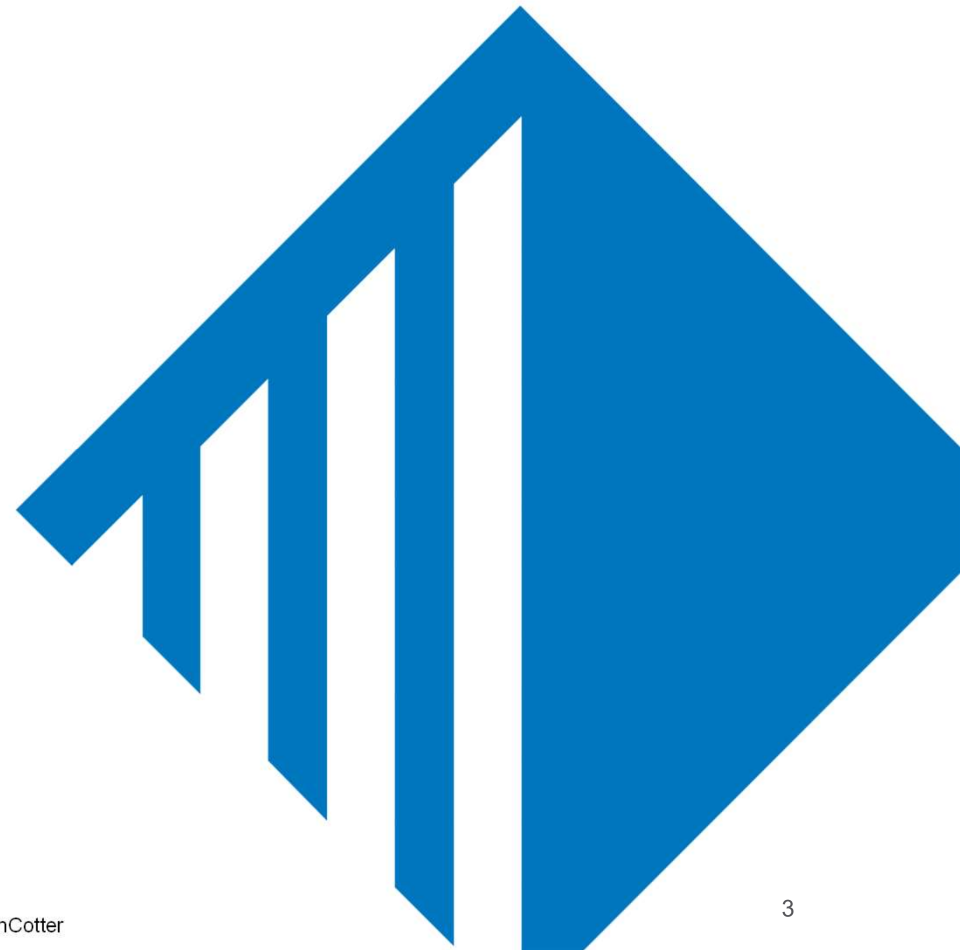
CMS Final Rule on Split/Shared Billing



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Comparing Incident-To and Split/Shared Visits

Incident-To (POS 11 only)
Outpatient Office

May bill under physician if:

- Physician has **performed the "initial service"** for the specific medical problem being addressed at a follow-up visit with NP/PA
- Physician is **in the suite** at the time of the visit
- Physician and NP/PA are **employed by the same entity**
- Physician **remains involved** in the care

Split/Shared Visit (POS 19, 21-23)
Hospital Inpatient/Outpatient and ED

May bill under physician if:

- Physician **provided a medically necessary face-to-face encounter** on the same calendar day as the NP/PA and documented with "at least one required element of the E/M service"
- Physician and NP/PA are **employed by the same entity**
- Service is **E/M**:
  - Not applicable for critical care
  - Not applicable for procedures

Note: MedPAC has recommended the elimination of incident-to billing to Congress*

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***Source:** *Issues in Medicare Beneficiaries' Access to Primary Care.* MedPAC, 14 June 2019, https://www.medpac.gov/recommendation/issues-in-medicare-beneficiaries-access-to-primary-care-5-1-june-2019/.

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CMS Final Rule on Split/Shared Billing

Timeline

2022

CMS stated their intention to make **significant adjustments to split/shared visit policies** in order to:

- Better reflect clinical practice
- Recognize NPs/PAs as members of the care team
- Reduce duplication of services (create access)
- Clarify payment conditions
- Increase access

Pre-2022

A split/shared visit is an encounter performed in the ***hospital inpatient/hospital outpatient*** that is shared between a physician and an NP/PA from the ***same group practice***. Must include a ***medically necessary contribution*** to the evaluation and management (e.g., history, physical or medical decision making) by the physician and a ***face-to-face encounter by the physician*** *(excludes critical care codes).*

2022/ 2023

In **2022 and 2023**, changes to split/shared encounters include:

- Modifier (-FS) to be included in all shared visit encounters
- Critical care services now billed as split/shared visits
- Can be reported using time or historical E&M methodology

2024

In **2024**, shared visits to be billed via time methodology:

- *"The practitioner who provides the substantive portion of the visit (more than 50% of the total time spent) would bill for the visit"*
- Elements to be included in accounting for time:
  - Preparing to see patient (e.g., reviewing tests, records)
  - Obtaining history and physical
  - Patient counseling
  - Medical decision-making
  - Ordering and interpreting medications, tests or procedures
  - Referrals and care coordination
  - Clinical documentation

Sources:

Calendar Year (CY) 2022 Medicare Physician Fee Schedule Final Rule. CMS.gov. (November 2, 2021). Retrieved August 1, 2022, from https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2022-medicare-physician-fee-schedule-final-rule

Department of Health and Human Services 42 CFR Parts 403, 405, 410, 411, 414, 415, 423, 424, and 425. Federal Register. (November 19, 2021). Retrieved August 1, 2022, from https://public-inspection.federalregister.gov/2021-23972.pdf

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CMS Final Rule on Split/Shared Billing

2022 Final Rule

- **Elements included** in accounting for time:

- Preparing to see the patient (for example, review of tests)
- Obtaining and/or reviewing separately obtained history

Pre-Visit

- Performing a medically appropriate examination
- Counseling and educating the patient/family/caregiver
- Ordering medications, tests and procedures
- Documenting clinical information in the health record

During Visit

- Referring and communicating with other health care professionals
- Independently interpreting results
- Communicating results to the patient/family/caregiver
- Care Coordination

Post-Visit

Sources:

Calendar Year (CY) 2022 Medicare Physician Fee Schedule Final Rule. CMS.gov. (November 2, 2021). Retrieved August 1, 2022, from https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2022-medicare-physician-fee-schedule-final-rule

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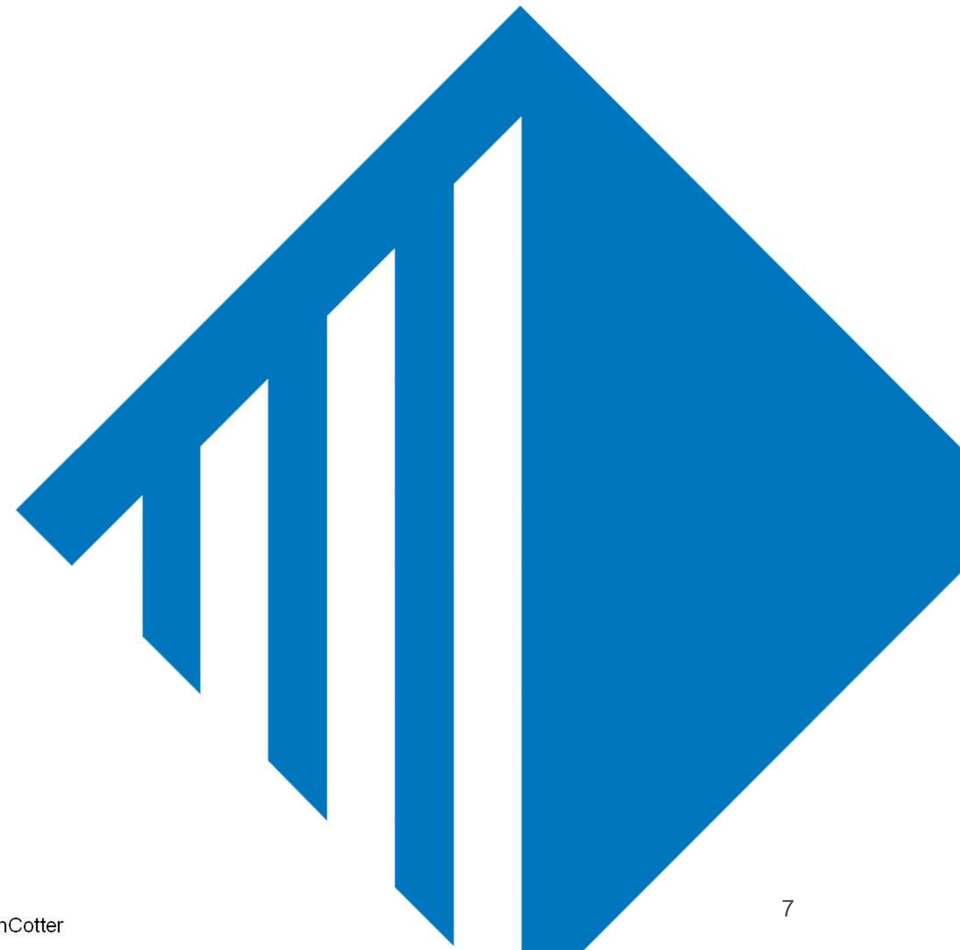
Market Considerations



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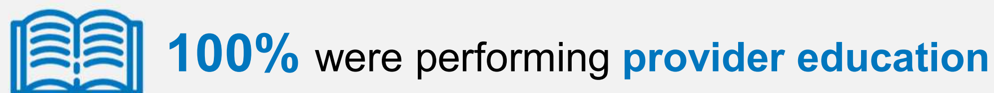
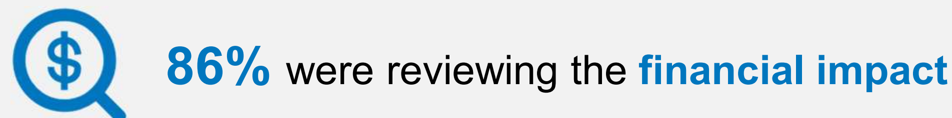
Market Considerations

A May 2022 SullivanCotter survey[1] of hospital-affiliated medical group leadership found **only 50% of organizations were aware of the pending split/shared changes**

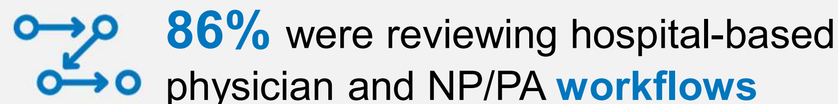
Of organizations who expressed understanding of the changes[1]:



100% were performing **provider education**



86% were reviewing the **financial impact**



86% were reviewing hospital-based physician and NP/PA **workflows**

71% were reviewing and revising **billing and documentation policies**

57% were reviewing physician and NP/PA **compensation plans**

Anecdotally, **organizations expressed a range of reactions** to the changes[2]:

- **Financial impact** from organizations who performed financial analysis ranged from modest net positive (>$100,000) to significant net negative (>$1,000,000)
  - Differences depended primarily on the current use of split/shared billing and the ability to impact additional volume
- Reported use of –FS modifier is variable, **limiting comparative data analysis**

[1]SullivanCotter 2022 *Large Clinic® Spring Mini Survey*
[2]SullivanCotter 2022 NAAC Hot Topics Feedback

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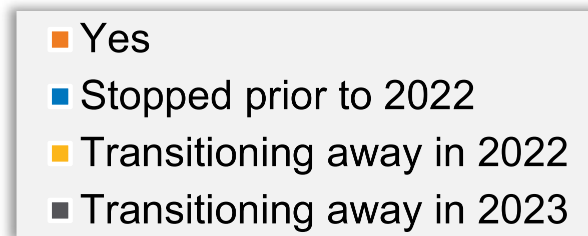
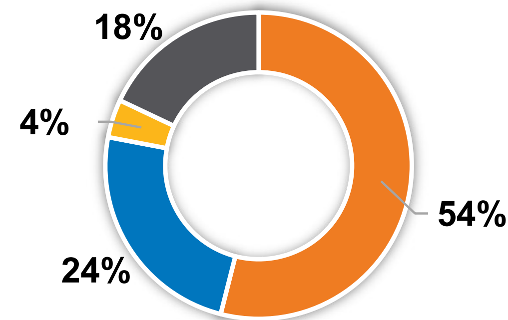
Market Considerations

A September 2022 SullivanCotter survey[1] of NP and PA leaders found variation in organizational responses, but nearly all (90%) had started communicating the split/shared changes to providers

Does your organization use split/shared billing?





Has your organization performed financial modeling of changes?

Has your organization begun utilizing –FS modifier?

[1]SullivanCotter 2022 *NAAC Pulse Survey*

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Planning for Change

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Split/Shared Change Management

Considerations for Change

Organizations are looking closely at three areas in order to plan for pending changes:

Financial

- Analyze current billing and documentation
- Develop projections for future state
- Assess compensation plan implications

Care Team and Culture

- Understand provider current roles
- Define responsibilities of care team

Education and Compliance

- Plan for education on changes and appropriate billing approach
- Ensure compliance documentation

Key Components to Addressing Split/Shared Changes

An **intentional and managed strategy** can mitigate risk and optimize care teams

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Challenges to Consider

Split/Shared Billing Challenges

- Lack of understanding of changes
- Organizational bylaws and state practice act
- Provider disconnect to cost of care
- Compliance concerns
- Provider preference and/or historical behaviors and mindset
- Impact on physician compensation / production

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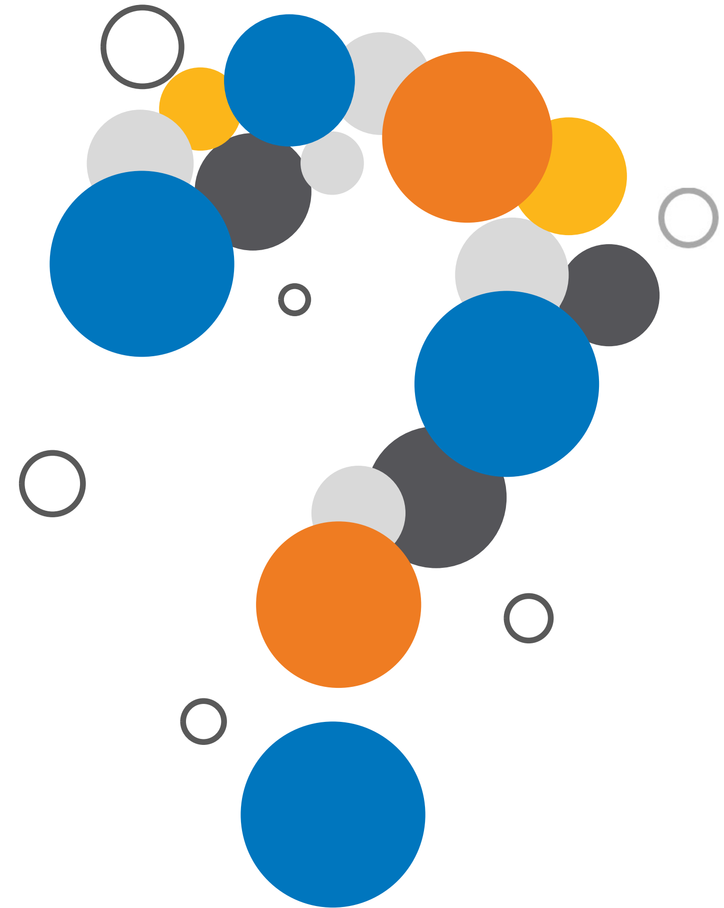
Discussion Questions for your Organization

- **How often** are split/shared encounters used by your inpatient teams?
  - What specialties will this have the biggest impact on?
  - How knowledgeable are your providers about potential split/shared changes?
- What is the **current composition** of your care teams?
  - How optimized are your NPs and PAs?
  - How optimized are the other staff?
- Are there **by-laws or policies** that impact the ability to optimize NPs and PAs?



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Questions / Comments

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