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Is There a Doctor 'in the Suite'? Nurse Practitioners' Services and a Reimbursement Dilemma

Jane F. Herling, RN, Esquire*

* Main Line Health

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Is There a Doctor 'in the Suite'? Nurse Practitioners' Services and a Reimbursement Dilemma

U.S. News and World Report features a Special Report in its January 31/February 7, 2005 issue entitled "Who Needs Doctors?" The Special Report is a lengthy, careful, and evenhanded examination of some of the current roles and struggles of physicians and non-physician clinicians, such as nurse practitioners, nurse anesthetists, dentists, optometrists, chiropractors, and others. The specific topics are not new and center on the current practice environments. The main health policy focus of the Special Report is access to quality healthcare, which it explores by examining the various non-physician clinicians' autonomy, and the related matters of safety, competency, competition, turf-battles, physician burn-out, prescription authority, patient satisfaction, and career satisfaction. The Special Report touches very briefly on the issue of commercial payor reimbursement for the services of non-physician clinicians. This article, however, highlights the healthcare access problems that are perpetuated when payors do not directly reimburse for services independently performed by nurse practitioners (NPs) employed or contracted by physicians and discusses the impact of such non-reimbursement on physician practices.

The Scenario

You are an OB/GYN and busy solo practitioner. Solo, except that you practice with a well-qualified, licensed and experienced nurse practitioner. Your waiting room is full of patients (a good thing as you struggle to manage the financial realities of the practice of medicine). Two of the women have scheduled their routine gynecologic examinations. Both are using their lunch hour time and feel rushed to get back to work. Both are commercially insured by the predominant third-party payors in the Philadelphia area healthcare market. The office phone rings. It is a call from the nurses' station in an inpatient unit in the hospital next door. You are needed urgently – it happens all the time. You go. This should present no problem for the two women anxiously keeping their eyes on the time. Both know the nurse practitioner and are comfortable having her perform their examinations. In fact, they specifically scheduled to see her.

Like most nurse practitioners, your nurse practitioner performs as many routine examinations as you do, and she is unquestionably competent. Your patients love her. You trust her entirely. She performs these examinations for patients, while you spend your time in another area of the office suite treating patients with more complex healthcare needs. You review her patients' issues with her as needed – usually at the end of the day or the following day.

The Dilemma

Under many commercial insurance benefit plans, access to health care through a participating physician's office comes to a screeching halt when the physician walks out of the office – even though the care could be safely, competently and lawfully continued by a qualified nurse practitioner.[1,2] In our scenario for example, if the nurse practitioner performs otherwise billable services while you are out of the office,

you cannot bill the payor (or the patient). Unless you are willing to risk an allegation of insurance fraud, these services are free.

While many commercial payors across the country credential and issue provider numbers to nurse practitioners (as Medicare began doing pursuant to the Balance Budget Act of 1997), the major commercial payors in the Philadelphia area healthcare market generally do not. Payors in this region still follow the Medicare "incident to" billing rules regarding services provided by nurse practitioners. "Incident to" billing means that, in order to bill the insurance company for the nurse practitioner's services, the supervising physician must provide direct supervision to the nurse practitioner while the service is being provided (that is, the physician must be "physically" present in the office suite and immediately available to assist). In our scenario, because the nurse practitioner is denied "credentialed" status by the patients' commercial payors, the physician is faced with a difficult set of choices if he/she intends to be paid for the services of his/her nurse practitioner. Either the patients must be asked to wait as long as it takes for the physician to return to the office before the nurse practitioner performs their examinations or, alternatively, the patients' appointments must be rescheduled. The result – access denied. And, importantly, neither choice makes for happy patients or viable physician practices.

There is, of course, a third option. The nurse practitioner could perform the examinations and the physician could bill the payor for the service as if the "incident to" criteria had been satisfied, risking a potential insurance fraud allegation. Option number three is NOT recommended.

The Nonsense

The nurse practitioner who performs routine gynecologic examinations and a myriad other basic and essential healthcare services does so in the physician's office every day. The physician is "in the suite" but not in the same room looking over her shoulder, or participating directly. The physician and the nurse practitioner practice together every day as if he were dealing with the urgency in some other location. Yet, we continue to struggle with an "incident to" billing rule that presumes that the presence of the physician "in the suite" somehow transforms the nurse practitioner's independently performed services (i.e., services performed independently by the nurse practitioner pursuant to a collaborative agreement with the physician) into competent, compensable care.

The refusal of a commercial payor to recognize and pay for the independently provided services of a nurse practitioner unnecessarily limits access, thereby undermining the quality of patient care. Allowing patients to request an appointment with a physician rather than a nurse practitioner easily dispels any patient concerns about "value", or "getting their money's worth" from insurance coverage. Forcing a choice between ensuring high quality, timely, convenient health care for patients and potential insurance fraud is not justified.

A Compromise

On the issue of commercial reimbursement, a compromise would avoid the need for reluctant commercial insurers to concede "participating provider" status to nurse practitioners while liberating patients and physicians from their current predicament.[3] Commercial payors choosing not to recognize nurse practitioners as "participating providers" could establish minimum standards for nurse practitioners

who are employed or contracted by participating physicians and reimburse for their services at the appropriate level. Existing state laws establish the parameters and scope of nurse practitioner licenses and could serve as guidelines. Physicians and nurse practitioners are individually insured for malpractice and remain accountable for the healthcare services rendered through their practices. As previously mentioned, patients can choose to schedule appointments with a physician rather than a nurse practitioner. The benefits of such a compromise include increased access to basic health care, increased patient satisfaction, increased physician practice efficiency and physician satisfaction, more efficient utilization of qualified health care professionals, and fair reimbursement for services lawfully rendered. The disadvantages of such a compromise would need to be significant to justify the continuation of an "incident to" billing policy for the services of a nurse practitioner in the physician practice scenario.

References

1. For the purposes of this article, assume that all nurse practitioner services are performed pursuant to a collaborative agreement with the physician.

2. Multiple issues and scenarios arise when addressing reimbursement and non-physician clinicians, but a review of these would be beyond the scope of this article.

3. The "incident to" billing policy is less problematic in multi-physician practices because there are fewer occasions in which a physician is not present in the office suite.

About the Author

Jane F. Hearling, RN, Esq., is Associate General Counsel for Main Line Health, Inc.