



Related MLN Matters Article #: MM5221

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Related CR #: 5221

Direct Billing and Payment for Non-Physician Practitioner (NPP) Services Furnished to Hospital Inpatients and Outpatients

Key Words

MM5221, CR5221, R1168CP, Billing, NPP, Hospital

Provider Types Affected

All hospitals, clinical nurse specialists (CNSs), nurse practitioners (NPs), and the employers of physician assistants (PAs) who bill Medicare for hospital inpatient and outpatient services

Key Points

- The effective date of the instruction is April 26, 2007.
- The implementation date is April 26, 2007.
- Section 4511(a)(2)(B) of the Balanced Budget Act of 1997 amended section 1861(b)(4) of the Social Security Act to exclude the professional services of NPs, CNSs, and PAs from hospital inpatient services.
- Effective April 26, 2007 (the effective date of Change Request (CR) 5221), NPs and CNSs are authorized to bill Medicare carriers directly for their professional services when furnished to hospital patients, both inpatients and outpatients.
- The employer of a PA, rather than the hospital, must bill the carrier for their professional services when furnished to hospital patients. Hospitals should not bill for the professional services of a PA, unless the PA is employed by the hospital.
- MLN Matters article MM5221 and CR5221 describe the removal of the paragraph in the *Medicare Claims Processing Manual*, Chapter 12, Section 120.1 that contains outdated policy on payment for NP and CNS services furnished in a hospital setting.

Medicare Claims Processing Manual Changes

- The professional services of NPs and CNSs furnished to hospital inpatients and outpatients may be billed directly by the NP or CNS to the carrier under their respective Medicare billing number or their National Provider Identifier (NPI), once the NPI is effective.

- The employer of a PA may bill the carrier directly for the professional services of the PA furnished to hospital inpatients and outpatients under the PA's Medicare billing number or the PA's NPI, once the NPI is effective.
- Hospitals may bill the carrier for the professional services of an NP or a CNS furnished to hospital inpatients and outpatients when payment for the NP and CNS services has been reassigned to the hospital, and when the hospital bills for these services under the NP's or CNS's Universal Provider Identifier Number (UPIN).
- The provider's Medicare carrier will identify and reprocess any claims submitted by NPs, CNSs, or the employer of a PA that have been denied since January 1, 2006, because the claim listed a hospital inpatient or outpatient setting place of service.
- For claims with dates of service prior to January 1, 2006:
 - The carrier will reopen claims that were denied because they listed a hospital inpatient or outpatient place of service.
 - The carrier will **only reopen these claims** if the NP, CNS, or employer of the PA brings the claim to the attention of the carrier.
 - The carrier will pay these claims for dates of service on or after the January 1, 1998, effective date retroactive to the actual date that the services were rendered.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5221.pdf> on the CMS website.

The official instruction (CR5221) issued may be viewed at

<http://www.cms.gov/Transmittals/downloads/R1168CP.pdf> on the CMS website.

If providers/suppliers have questions, they may contact their Medicare carriers at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.