Incident to Billing

LOB(s): ☒ *Commercial* ☒ *Medicare*	*State(s):* ☒ *Idaho* ☒ *Montana* ☒ *Oregon* ☒ *Washington* ☐ *Other:*
☒ *Medicaid*	☒ *Oregon* ☐ *Washington*

Enterprise Policy

PacificSource is committed to assessing and applying current regulatory standards, widely-used treatment guidelines, and evidenced-based clinical literature when developing clinical criteria for coverage determination. Each policy contains a list of sources (references) that serves as the summary of evidence used in the development and adoption of the criteria. The evidence was considered to ensure the criteria provide clinical benefits that promote patient safety and/or access to appropriate care. Each clinical policy is reviewed, updated as needed, and readopted, at least annually, to reflect changes in regulation, new evidence, and advancements in healthcare.

Clinical Guidelines are written when necessary to provide guidance to providers and members in order to outline and clarify coverage criteria in accordance with the terms of the Member's policy. This Clinical Guideline only applies to PacificSource Health Plans, PacificSource Community Health Plans, and PacificSource Community Solutions in Idaho, Montana, Oregon, and Washington. Because of the changing nature of medicine, this list is subject to revision and update without notice. This document is designed for informational purposes only and is not an authorization or contract. Coverage determinations are made on a case-by-case basis and subject to the terms, conditions, limitations, and exclusions of the Member's policy. Member policies differ in benefits and to the extent a conflict exists between the Clinical Guideline and the Member's policy, the Member's policy language shall control. Clinical Guidelines do not constitute medical advice nor guarantee coverage.

Background

PacificSource credentialing standards follow the guidelines of the National Committee for Quality Assurance (NCQA). The PacificSource and delegate credentialing process includes verification of the education, experience, judgment, competence, and licensure of in-network or participating healthcare providers.

PacificSource allows 'incident to' billing for providers who are not eligible for credentialing (see credentialing policies listed under related policy section) by PacificSource or a delegated credentialing entity unless otherwise stated below. This allows practices to fully utilize their staff appropriately. PacificSource does not allow 'incident to' billing for providers who are eligible for the credentialing process.

ALL providers billing PacificSource must:

- Maintain active license/certification if eligible, and work within the scope of their license/certification in the state where services are delivered.
- Work within the scope of the license/certification of the supervising provider if the treatment provider's profession is ineligible for credentialing and is utilizing 'incident to' billing status.

Criteria

I. Physical Health Criteria for "Incident to" Billing

Commercial, Medicaid and Medicare

PacificSource Commercial, Community Solutions (Medicaid) and Medicare lines of business require adherence to the following criteria for services to be billed as 'incident to' for physical health treatments:

1. The patient must be established in the practice.
2. The services must be provided under the direct supervision of the physician or qualified non-physician provider.
3. The supervising provider must actively participate in the continuation of the patient's course of care, with periodic face-to-face encounters. Care may not be transferred to a non-credentialed provider.
4. The qualified supervising provider must be present in the office suite or clinic at the time-of-service delivery and available to provide any necessary assistance.
5. The patient must have a covered condition that was initially diagnosed by the supervising provider.
6. The services must be medically necessary and an integral part of the patient's care.
7. Services must be rendered in a physician or qualified provider's office or clinic, not in an institutional setting (e.g., hospital, psychiatric hospitals, rehabilitation hospitals, etc.).
8. Services rendered under 'incident to' billing must be billed under the credentialed, supervising provider.
9. PacificSource will adhere to CPT Billing Guidelines in the payment of services billed under "incident to" billing.
10. The rendering provider billing under the supervising provider must be an employee of the practice (i.e., a W-2 employee).
11. Both the rendering and supervising providers must authenticate medical records.

II. Behavioral Health Criteria for "Incident to" Billing

Commercial

PacificSource allows 'incident to' billing for behavioral health treatment for the following provider types:

- Board-registered associates (does not apply to Mental Health Interns).
- Board Certified Assistant Behavior Analysts (BCaBAs).
- Registered Behavior Technicians (RBTs).
- Behavioral Analyst Interventionist (BAI)
- Certified Alcohol and Drug Counselors (CADCs) in Oregon and Idaho.

- Substance Use Disorder Professionals in Washington.

PacificSource requires adherence to the following criteria for services to be billed as ‘incident to’ for behavioral health treatment:

1. The services must be provided under the direct supervision of the physician or qualified non-physician provider.
2. The services must be medically necessary and an integral part of the patient’s care.
3. Services rendered under ‘incident to’ billing must be billed under the credentialed, supervising provider.
4. PacificSource will adhere to CPT Billing Guidelines in the payment of services billed under the ‘incident to’ billing policy.
5. Both the rendering and supervising providers must authenticate medical records.

Medicaid

PacificSource Community Solutions (PCS) allows ‘incident to’ billing for behavioral health treatment for the following provider types:

- Board Certified Assistant Behavior Analysts (BCaBAs).
- Registered Behavior Technicians (RBTs).
- Behavioral Analyst Interventionist (BAI)

All providers operating under a Certificate of Approval (COA) from the Health Systems Division of the Oregon Health Authority (OHA) are eligible for credentialing; except in cases where they also operate an Applied Behavior Analysis (ABA) program. Therefore, COA providers would not utilize ‘incident to’ billing unless they have an ABA program.

PCS requires adherence to the following criteria for services to be billed as ‘incident to’ for behavioral health treatment:

1. The services must be provided under the direct supervision of the physician or qualified non-physician provider.
2. The services must be medically necessary and an integral part of the patient’s care.
3. Services rendered under ‘incident to’ billing must be billed under the credentialed, supervising provider.
4. PacificSource will adhere to CPT Billing Guidelines in the payment of services billed under ‘incident to’ billing.
5. Both the rendering and supervising providers must authenticate medical records.

The following provider types can only bill when they are employed by a COA organization and are not eligible for ‘incident to’ billing at non-COA practices:

- Peer Support Specialists.

- Certified Alcohol and Drug Counselors and those working towards certification.
- Qualified Mental Health Associates (QMHAs).
- Qualified Mental Health Professionals (QMHPs).
- Mental Health Interns.

Medicare

PacificSource Medicare requires adherence to the following criteria for services to be billed as 'incident to' for behavioral health treatment:

1. The patient must be established in the practice.
2. The services must be provided under the direct supervision of the physician or qualified non-physician provider.
3. The supervising provider must actively participate in the continuation of the patient's course of care, with periodic face-to-face encounters. Care may not be transferred to a non-credentialed provider.
4. The qualified supervising provider must be present in the office suite or clinic at the time-of-service delivery and available to provide any necessary assistance.
5. The patient must have a covered condition that was initially diagnosed by the supervising provider.
6. The services must be medically necessary, and an integral part of the patients care.
7. Services must be rendered in a physician or qualified provider's office or clinic, not in an institutional setting (e.g., hospital, psychiatric hospitals, rehabilitation hospitals, etc.).
8. Services rendered under 'incident to' billing must be billed under the credentialed, supervising provider.
9. PacificSource will adhere to CPT Billing Guidelines in the payment of services billed under 'incident to' billing.
10. The rendering provider billing under the supervising provider must be an employee of the practice (i.e., a W-2 employee).
11. Medical records must be authenticated by both the rendering (i.e., one providing the service) and supervising providers.

Claims Criteria

Effective June 1, 2018, in order for a service to be considered for payment under the 'incident to' billing, the modifier SA must be appended to the CPT code. Only claims with the required SA modifier, will be considered eligible for 'incident to' billing.

PacificSource requires that the supervising provider be indicated in boxes 24J and 31 on the CMS 1500 claim form or the appropriate field on an electronic claim.

Definitions

Board-registered Associates - individuals who have completed education requirements and registered with their respective licensing board as they complete clinical hours for licensure.

Mental Health Interns - an individual who meets qualifications for QMHA but does not have the necessary graduate degree in psychology, social work, or behavioral science field to meet the educational requirement of QMHP.

Rendering Provider – individual who provided the services to the member.

Supervising Provider – a credentialed physician, or qualified non-physician provider who is supervising the rendering provider and whom services are being billed under.

Related Policies

Credentialing Manual – Acceptance, Denial and Continued Participation

Credentialing Manual – Credentialing and Recredentialing Policies and Procedures

Credentialing Manual – Medicaid Provider Validation and Revalidation Policy

References

American Medical Association (AMA). (January 01, 2023).CPT® Evaluation and Management (E/M) Code and Guideline Changes.

Centers for Medicare and Medicaid Services. (10/12/2023). Medicare Benefit Policy Manual, Chapter 15 – Covered Medical and Other Health Services. Available at: https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf

Noridian Healthcare Solutions. (November 02, 2022). Incident To Services. Available at: https://med.noridianmedicare.com/web/jfb/topics/incident-to-services

Appendix

Policy Number:

Effective: 6/1/2017 **Next review:** 2/1/2026

Policy type: Enterprise

Author(s): Polly Watt-Geier, Eric Lowery

Depts.: Claims, Customer Service, Health Services, Provider Network

Applicable regulation(s): CMS Chapter 15, section 60;

Commercial Ops: 12/2024

Government Ops: 1/2025

Modification History

Date	Modified By	Reviewed By	Modifications
12/20/2024	M. Bach M. Dearing J. Viola P. Watt-Geier	PNP Committee Kyle Ash, DMD Miriam McDonell, MD Amy Strachan, MD	Added SOE Statement. Minor grammatical update. No content modifications. Update Appendix. Approved as part of consent agenda.
9/25/2024	P. Watt-Geier	MUM/CQUM Committees	Approved by Medicare Advantage UM Committee
11/22/2023	M. Dearing M. Palmer M. Vucovich BH workgroup J. Viola P. Watt-Geier	PNP Committee Miriam McDonell, MD Jeffrey Davis, MD Amy Strachan, MD	Added Clinical Disclaimer. Updated References. Updated Appendix. Approved as part of consent agenda.
11/15/2023	E. Lowery		Approved by Medicare Advantage UM Committee
12/02/2021	M. Vucovich J. Viola M. Hodge M. Dearing S. Morgan K. McLean P. Watt-Geier	Mike Franz, MD Justin Montoya, MD	Headings: added the term “Criteria” to the PH, BH and Claims headings; added definition and references headings; added Commercial, Medicaid, and Medicare heading under PH criteria section. Removed terms “meticulous, strict” throughout policy. Replaced “treatment” provider with “rendering” provider throughout the policy. Background section: added “in-network or participating” healthcare providers; added statement “(see credentialing policies listed under related policy section)” behind “…who are not eligible for credentialing….” Under PH Criteria section reworded Item #7 from calling out rendering location and just called out not in an institutional setting. Under BH Criteria for Commercial and Medicaid removed Item #5, “The caregiver billing under the supervising provider must be an employee of the practice (i.e., a W-2 employee).” Under the BH Medicaid section moved paragraph “The following provider types can only bill when they are employed by a COA organization and are not eligible for ‘incident to’ billing at non-COA practices:” from second paragraph to last paragraph in section. Minor formatting of sentence structure for policy flow. Moved definitions for Board-registered Associates and Mental Health Interns from under criteria section to definition section. Added 3 credentialing policies to related policies section. Added References for CMS Chapter 15, AMA codebook, NCQA and Noridian. Updated Appendix with next review date, applicable regulations, and OPs dates.
9/02/2021	M. Vucovich P. Watt-Geier	PnP Sub Committee J. Viola M. Vucovich	Under Commercial section, changed the term “interns” to “associate” and “individuals.”
7/22/2021	M. Vucovich P. Watt-Geier	Justin Montoya, MD Bhavesh Rajani, MD	Added Behavioral Analyst Interventionist (BAI) as a provider type under Commercial and Medicaid Sections.
6/24/2021	E. Littlejohn J. Fleming M. Vucovich P. Watt-Geier	Mike Franz, MD Bhavesh Rajani, MD	Separated criteria under Behavioral Health Section by LOB. Added specific provider types under Behavioral Health Section for Commercial and Medicaid LOBs. Formatted spacing, punctuation and sentence structure for policy flow. Removed duplicate claims language from Background section and left under Claims section. Added Related Policy Section and moved reference of Credentialing Manual Credentialing and

			Recredentialing Policies and Procedures under this section.
12/18/2020	M. Vucovich E. Littlejohn J. Fleming K. Wiley	Justin Montoya, MD Alison Little, MD	Combined with behavioral health 'incident to' policy. Added information for behavioral health per LOB. Added reference to credentialing policy for additional information. Updated language to 'provider.'
9/30/2020	M. Dearing K. McLean L. LaFerriere	Justin Montoya, MD	Changed "eligible to be credentialed" to "provider type credentialed by." Added #11.Medical records must be authenticated by both the rendering and supervising providers.
7/23/2019	Barbara Gregg	Mike Franz, MD Emma Littlejohn Carrie Gilmore Hilary Klarc Sara Ohrtman	Removed specific exceptions and added link to Incident To for Behavioral Health Policy.
4/03/2018	Barbara Gregg	Christina Hill Hilary Klarc Edward McEachern, MD	Addition of modifier SA requirement on claims being submitted as incident to. Expanded language for exceptions to include more detailed examples of collaborative care services and behavioral health integration services.
5/01/2017	Barbara Gregg	Alison Little, MD Edward McEachern, MD Justin Montoya, MD Mike Franz, MD Mari Willhite Christina Hill Kristen Dillon, MD Hilary Klarc	New Policy