

Updated August 29, 2008

FAQs ON CMS AUDIOLOGY TRANSMITTALS

We have received a number of questions regarding the CMS Transmittals 84 and 1470, concerning the requirements for billing audiology services. The following Q and A is intended to provide clarification and guidance on those two publications. Please note that this is not a new policy from CMS; it has been in effect for several years, but CMS is now strengthening its data collection of provider numbers. Its enforcement of these requirements will enable CMS to collect more complete data about all services.

It is important to note that any audiologist who is seeing Medicare patients must obtain an NPI (national provider identifier) AND enroll in Medicare as a provider. These two separate processes must be completed before Medicare will consider payment of the claims. (Medicare does not reimburse any provider or practitioner who is not enrolled in the program.)

What is an NPI?

The National Provider Identifier (NPI) is a Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification Standard. The NPI is a unique identification number for covered health care providers. Covered health care providers and all health plans and health care clearinghouses will use the NPIs in the administrative and financial transactions adopted under HIPAA. The NPI is a 10-position, intelligence-free numeric identifier (10-digit number). This means that the numbers do not carry other information about healthcare providers, such as the state in which they live or their medical specialty. Beginning May 23, 2008, the NPI must be used in lieu of legacy provider identifiers in the HIPAA standards transactions.

It replaces the UPINs, the PINs, and the OSCAR numbers previously issued by Medicare, and it replaces all the proprietary provider ID numbers issued by commercial healthcare insurers. It is effectively the "universal provider number" that all physicians and healthcare providers will use, for all healthcare insurers, beginning in May 2008. (It will replace the Medicare UPINs, and the provider numbers issued by other insurance companies.)

CMS will require the use of the NPI on claims for services furnished by audiologists on or after October 1, 2008. Audiologists are encouraged to obtain an NPI and enroll as soon as possible.

Can you clarify what is happening with regard to audiology services and NPI numbers?

There were two transmittals released by CMS on February 29, 2008. We strongly recommend that you familiarize yourself with the information contained in the transmittals.

- Transmittal #84
URL <http://www.cms.hhs.gov/Transmittals/Downloads/R84BP.pdf>
- Transmittal #1470
URL <http://www.cms.hhs.gov/Transmittals/downloads/R1470CP.pdf>.

On July 18, 2008, CMS also issued transmittal 1550 which reinforces the earlier transmittal requirement that audiologists obtain an NPI and get enrolled into Medicare by October 1, 2008.

URL <http://www.cms.hhs.gov/Transmittals/Downloads/R1550CP.pdf>

You may wish to review the CMS *MedLearn Matters* article (#MM5717) <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5717.pdf> , for a summary of the audiology services that are, and are not, covered by Medicare. Some of those points are:

- Medicare will pay for services within the physician’s scope of practice that are provided personally by the physician.
- Medicare will still require a referral for audiological services rendered by an audiologist.
- Services rendered by a technician or nurse under physician direction may still be billed under the name and NPI of the physician.

What does it mean that audiologist services can’t be billed as “incident to”? What is the CMS definition of “incident-to billing”?

CMS will no longer allow audiologists to use the incident-to billing that has been widely used up to this point. Regulatory language from 2003 requires that services with their own benefit category cannot be billed under the incident-to billing methodology. Audiological diagnostic testing is under a benefit category of “other diagnostic tests”.

Audiologists may bill for the global service if they perform both technical and professional components of the diagnostic tests that have both components. Since the services are diagnostic tests, the audiologist’s NPI is required on all claims for services furnished by audiologists.

CMS defines services that qualify as “incidental to” the physician’s services as: *the services must be part of your patient’s normal course of treatment during which a physician personally performed an initial service and remains actively involved in the course of treatment.*

The physician must provide direct supervision by being present in the office suite to assist if necessary. However, the physician does not have to be physically present in the patient’s treatment room while these services are provided. In addition, the patient record should document the essential requirements for “incident to” service.

Specifically these services must be characterized by all of the following requirements:

- *an integral part of the patient’s course of treatment;*
- *commonly rendered without charge (included in the physician’s bills);*
- *of a type commonly furnished in a physician’s office or clinic (not in an institutional setting); and*
- *an expense to the practice/physician.*

Some examples of qualifying “incident to” services include:

- *cardiac rehabilitation;*
- *the provision of non-self-administrable drugs and other biologicals; and*

- *supplies usually furnished by the physician in the performance of his/her services (e.g., gauze, ointments, bandages and oxygen).*

Source: <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0441.pdf>

Audiology services do not meet the above qualifications. The audiology tests are billed separately from the evaluation and management service rendered by the physician; the tests are provided for a fee (rather than being included or “bundled” into the physician’s charges).

We have audiologists who are employed by the group practice. Does this mean that we can no longer bill those services under the name and provider number of the physician?

Yes. The services performed by the audiologists must be billed under the name and National Provider Identifier (NPI) of the audiologist, not the physician’s name and NPI.

Will audiologists, who have been performing services under the supervision of an otolaryngologist and billing the services using the otolaryngologist’s NPI, be required to have their own NPI?

Yes. The audiologists you describe, who “perform services under the supervision of an Otolaryngologist and normally bill for services using the Otolaryngologist’s NPI” will be required to obtain and use their own NPI – designating them as the “rendering provider,” effective October 1, 2008. The audiologists must also be enrolled in Medicare if they are seeing Medicare beneficiaries; Medicare will not consider the billed charges if the audiologist is not enrolled as a provider.

We have audiology technicians who perform the audiological services, not audiologists. What does this mean to our practice?

Medicare will reimburse for services performed by a technician under certain circumstances and only certain tests. The physician must delineate, on the order, each test that should be performed. (For audiologists, the physician does not need to designate each test, as the audiologist may make the determination for the appropriate battery of tests). Please note that technicians must meet qualifications determined by the local Medicare contractor, which will include, at a minimum, qualification requirements of state and/or local law and successful conclusion of a curriculum including both classroom training and supervised clinical experience administering the audiological service.

Technicians can only perform audiological diagnostic tests that do not require the skills of an audiologist, such as tympanometry (92567) or vestibular function tests (e.g., 92541). The physician must provide direct supervision to the technician, and the service would be billed under the physician’s name and NPI.

What are the “skills of an audiologist”?

CMS considers some audiological tests, for both the technical and professional components, the skills of an audiologist to perform the test and interpret not only the data output, but also the

manner of the patient's response to the test. These types of tests **MUST** be performed by a qualified audiologist or physician. The skills of an audiologist are when furnishing the ordered diagnostic tests involve skilled judgment or assessment including, but not limited to:

- Interpretation, comparison or consideration of the anatomical or physiological implications of test results or patient responsiveness to stimuli during the test;
- Modification of the stimulus based on responses obtained during the test;
- Choices for subsequent presentations of stimuli, or tests in a battery of tests;
- Tests related to implantation of auditory prosthetic devices, central auditory processing, contralateral masking; and/or
- Tests designed to identify central auditory processing disorders, tinnitus, or nonorganic hearing loss.

Are there services audiologists can't perform?

Medicare will not pay audiologists for therapeutic services. As an example, vestibular treatment, auditory rehabilitation and auditory processing treatment. While they are considered within the scope of practice for an audiologist, they are not diagnostic tests and therefore can't be billed to Medicare by audiologists.

Who can bill for audiology services?

Under particular and varying criteria, audiology services can be billed by the physician or the audiologist. Services provided by other non-physician providers (such as physician assistants or nurse practitioners) would be billable as "incident to" the physician service, but only if the service meets the qualifying criteria for Medicare (reference to Social Security Act, Title XVIII, Chapter 15, Section 1861.)

Does the audiologist need to have an AudD degree, or will a master's degree qualify?

Federal regulations define a "qualified audiologist" as an individual with a master's or doctoral degree in audiology that maintains documentation to demonstrate that he or she meets one of the following conditions:

- The State in which the individual furnishes audiology services meets or exceeds State licensure requirements and the individual is licensed by the State as an audiologist to furnish audiology services.
- In the case of an individual who furnishes audiology services in a State that does not license audiologists, or an individual exempted from State licensure based on practice in a specific institution or setting, the individual must meet one of the following conditions:
 - Have a Certificate of Clinical Competence in Audiology granted by the American Speech-Language-Hearing Association.

- o Have successfully completed a minimum of 350 clock-hours of supervised clinical practicum (or is in the process of accumulating that supervised clinical experience under the supervision of a qualified master or doctoral-level audiologist); performed at least 9 months of full-time audiology services under the supervision of a qualified master or doctoral-level audiologist after obtaining a master's or doctoral degree in audiology, or a related field; and successfully completed a national examination in audiology approved by the Secretary.

[Refer to 43 FR 45224, Sept. 29, 1978, as amended at 45 FR 24888, Apr. 11, 1980; 56 FR 8854, Mar. 1, 1991; 60 FR 19861, Apr. 21, 1995; 69 FR 30587, May 28, 2004]

How long will it take to obtain an NPI?

You may continue to bill the audiology services as “incident to” until October 1, 2008. On that date, CMS will enforce the audiology billing regulations that require NPIs for audiologists. It takes approximately one to two weeks to obtain an NPI, but enrollment into the Medicare program can take 90- 120 days.

Does an audiologist have to be enrolled in Medicare (855I form) to use an NPI?

No. All HIPAA “covered entities” (including audiologists) are eligible to receive NPIs (the universal provider numbers), even if they aren’t enrolled in Medicare. However, to receive reimbursement for their services, the audiologist must be enrolled into Medicare.

If an audiologist is employed by a physician’s practice, and if the service is billed with the audiologist’s NPI in Box 24J (rendering provider ID#) and the physician group info in Box 33 (pay-to provider) – who receives the reimbursement?

Reimbursement goes to the billing provider (“pay to” provider) whose information was placed in Box 33. *Per National Uniform Claim Committee instructions for the CMS-1500 form, “Item 33 identifies the provider that is requesting to be paid for the services rendered and should always be completed.”* http://www.nucc.org/images/stories/PDF/claim_form_manual_v3-0_7-07.pdf.

On your claims, the provider who actually renders the service should be shown as the “rendering provider” in box 24J.

If an audiologist has an NPI, but is not credentialed by Medicare, how does reimbursement to the practice work?

In order to receive payment from Medicare, the audiologist must be enrolled in the Medicare program. To Medicare, “enrolled” means the same as “credentialed.” *Per MedLearn Matters 5229: “Providers, for NPI provider identifier editing purposes, are categorized as either “primary” or “secondary” providers. Primary providers include billing, pay-to, and rendering providers. Primary providers are required to be enrolled in Medicare for the claim to qualify for payment.”* <http://www.cms.hhs.gov/MLNMArticles/downloads/MM5229.pdf>

If an audiologist submits a claim to Medicare, will the reimbursement be reduced by 15% (the non-physician practitioner discount)?

No, the services will be eligible for reimbursement at 100% of the fee schedule amount, minus the beneficiary's 20% coinsurance. The fee schedule values take into account a combination of both physician work effort and audiologist work effort; it is not subject to any reduction in reimbursement off of the Medicare physician fee schedule.

Does this allow audiologists to bill separately from physicians with no input or referral? What about audiology services provided in the office by a technician or nurse under physician direction with no audiologist? Can we still bill for that?

Medicare will still require a physician's order for audiological services rendered by an audiologist. Services rendered by a technician or nurse under physician direction may still be billed under the name and NPI of the physician, also known as "incident to." The technician's services must meet the requirements for the use of technicians.

What's to happen to the oto-techs who are well-trained through our Academy's oto-tech program? There are many areas with true supply shortages in audiologists. This policy is great for the audiologists in that they can wield greater power through this obvious supply shortage.

Practices can still use oto-techs for audiological diagnostic tests that do not require the skills of an audiologist. The physician must detail the specific tests the tech must perform, and provide direct supervision. The services can be billed under the name and NPI number of the physician.

If the audiologist does tests under the direct supervision of the physician, does the audiologist still need an NPI?

Yes, the audiologist must obtain an NPI and must become enrolled in the Medicare program.

There are three ways to obtain an NPI:

1. Complete the on-line application at the NPPES web site;
<https://NPPES.cms.hhs.gov/NPPES/Welcome.do>;
2. Download the paper application form at www.cms.hhs.gov/NationalProvdentStand/ and mail it to the address on the form; or,
3. After asking you for your permission, authorize an employer or other trusted organization to obtain an NPI for you through bulk enumeration, or Electronic File Interchange (EFI).

The Medicare enrollment form is online at <http://www.cms.hhs.gov/cmsforms/downloads/cms855i.pdf>

Does this mean that CMS will not reimburse diagnostic testing done by audiology technicians? Will this eventually involve other insurance companies? Can audiology technicians get NPI numbers?

Services rendered by a technician or nurse under physician direction may still be billed under the name and NPI of the physician. Under the NPI Final Rule, technicians and nurses are not eligible to

obtain NPIs. The NPI Final Rule is found in *45 CFR Part 162, Federal Register January 23, 2004*
<http://www.cms.hhs.gov/NationalProvIdentStand/Downloads/NPIfinalrule.pdf>

Does this transmittal apply to employed audiologists or audiologists that operate independently?

The NPI billing rule applies to audiologists who are employed by the physician and to those who are self-employed.



We realize that there are questions still unanswered. The Academy is working to obtain clarifying information about audiology services provided within Medicare Advantage plans. We also are seeking resolution of questions regarding how to bill the audiology services when two or more insurers are involved (coordination of benefits). That information will be made available, here, to Academy members when it is received from CMS officials.

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