PHYSICIANS' MEDICARE BULLETIN

INFORMATION PREPARED BY THE MARYLAND BLUE SHIELD PLAN FOR PHYSICIANS AND OFFICE ASSISTANTS

Number 4 - October 17, 1966

Information concerning the processing and payment of medical bills under the Medicare Program, has been brought to our attention. We feel this information will have more than routine interest for the medical community. This bulletin concentrates on two such areas for the information of you and your office staff, and is based upon regulations issued by the Social Security Administration.

1. Reimbursement on the basis of a bill paid by promissory note.

In cases where payment is made directly to the beneficiary, that is, a nonassigned case, and a receipted bill is necessary before payment can be made, there are some instances where reimbursement can be made to the beneficiary on the basis of a bill paid by a promissory note.

A bill paid by promissory note will be treated as a "receipted bill," permitting Medicare Part B reimbursement, unless the bill shows on its face (or there is other evidence of record) that the note is not given and accepted unconditionally as payment of the bill.

For example, a bill marked "paid by promissory note" or "$25 paid in cash, balance paid by promissory note" would be treated as a receipted bill. On the other hand, a bill marked "paid--subject to payment on promissory note" or which otherwise clearly indicates that the promissory note was not unconditionally accepted in payment of it, is not a receipted bill permitting payment under Medicare Part B.

A physician who accepts a promissory note in payment of a bill, relinquishes the right to accept an assignment of that bill under which he would receive payment directly from the program of 80 percent of the reasonable charges (subject to the deductible).

2. Services and supplies incident to a physician's service commonly furnished in a physician's office.

Coverage of services and supplies incident to the professional services of a physician in private practice is limited to situations in which there is direct physician supervision. This applies to services of auxiliary personnel employed by the physician and working under his supervision, such as nurses, technicians, therapists and other aides. Thus, if a physician employs, for example, a physical therapist and includes the charges for such services in his own bills, the services of the physical therapist are considered to be incident to the physician's services if there is direct personal physician supervision. (Prior to this change in policy, the services of a physical therapist in a physician's office were considered to be covered only if the physician was a physiatrist or orthopedist.)

Supplies usually furnished by the physician in the course of performing his services, such as gauze, ointments, bandages, etc., are also covered. Payment for drugs and biologicals which cannot be self-administered can be made only to the physician who

administers them. For example, in the case of an allergist who prepares and furnishes drugs to a patient, but does not administer them, payment can be made only to the physician who actually administers the injection. Charges for such services and supplies must be included in the physicians' bills.

If auxiliary personnel perform the services outside the office setting, their services are covered only if there is direct personal physician supervision. For example, if a nurse accompanied the physician on house calls and administered an injection, the nurse's services are covered; if the same nurse made the calls alone and administered the injection, the services are not covered (even when billed by the physician) since the physician would not be providing direct personal supervision.

Services provided by auxiliary personnel not in the employ of the physician, even if provided on the physician's order (e.g., a referral to an independent practitioner for physical therapy), would not be covered under this category, since the law requires that they be of kinds that are commonly furnished in physicians' offices and commonly either rendered without charge or included in physicians' bills.

Some services and supplies which meet the definition of "incident to physicians' services" may, nevertheless, be excluded from coverage for other reasons. Specific statutory exclusions which would apply most often to "incidental" services are:

> Services which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member;
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> Personal comfort items;
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> Drugs and biologicals which can be self-administered (e.g., pills and other medicines not administered by injection);
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> Expenses incurred for and in connection with cosmetic surgery, unless required for prompt repair of accidental injury or for improvement of functioning of a malformed body member;
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> Expenses for routine physical checkups, eyeglasses or eye examinations for the purpose of prescribing, fitting or changing eyeglasses, hearing aids or examinations therefore, or immunizations;
>
> Expenses for services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting the teeth.

Future Physicians' Medicare Bulletins will continue to publish for your general information and interest any new developments relative to benefit interpretation or other aspects of the Medicare Program as they relate to the medical community.

3. Instead of fully utilizing the inadequate number of qualified physical therapists, their time is being wasted by traveling to patient's homes many of whom could and would come to an office for treatment. Four to six office patients could be treated and helped in the time it takes to treat one home patient.

4. The patient is the one who suffers most from the exclusion of treatment at a private office. Hospitals and rehabilitation centers are overcrowded and understaffed, and the waiting list is long and growing. The intent of the law to take care of the rehabilitation needs of patients, is obstructed.

5. The fact that the physical therapist in private practice is not in competition with the physician was emphasized (although some physicians seem to compete with physical therapists); on the other hand, the physician in effect has lost his right to refer a patient under Medicare to a therapist of his choice.

6. Unless a patient is truly home bound, office treatment is usually better and more beneficial because of the superior equipment and facilities available.

7. We especailly oppose the clause which stipulates that a registered physical therapist giving office treatment must be personally supervised by a physician. Aside from the fact that this is professionally antiquated and illogical, it is in direct contradictiin to the regulations covering home treatment, provided through a home health agency where no such supervision is required. This stipulation also violates firmly established current practice, which has long been approved and accepted by the states as well as the medical profession, and which provides that treatment by a registered physical therapist may be given on the basis of a referral and prescription from a licensed physician.

Many other points were made by Clem Eishem and discussed by the group. They will be summarized in a future Newsletter.

Both Noland in his letter and Eishem emphasized that no individual letters to legislators should be written at this time. We shall be informed when the time is right to contact our senators and congressmen, and at that point it will be preferable to try to see them in person at their local headquarters and to leave a written outline with them after presenting our case in a personal interview. It will be very important at that time for each member to be well informed. The chariman of the Section, Ross Scott, touched off a lively discussion on the status of

Self Employed Section

the private practice section within the APTA. Although the attitude of the national office toward "free standing" therapists has improved - as reported by the liaison of the National Board, Dick Hanna - a better representation of our interests is necessary. It is, therefore, important to carefully consider our vote for national officers, and to nominate candidates who are familiar with and sympathetic toward the problems of the self employed members of the APTA.

To achieve better representation it is equally important to make an effort to further increase the membership of the Section. Since a considerable number of APTA members is at least partially self employed, it should be possible to achieve this goal by making these members aware that they are eligible to join the Section on the basis of part time Self-Employment in addition to their regular jobs.

Besides better representation and a progressive program, more money is needed to assist the APTA in their efforts to help all their members. The voluntary donation from the California Private Practice Group of $100.00 from each member was mentioned as a good example for other groups.

QUESTION: Did anybody "forget" to send his contribution of $100.00 as voted by the group? Please "remember" and send it NOW It is vitally necessary.

The remainder of this session consisted of reports from committee chairmen and a discussion on possible nominees for officers of the section. This also will be written up in more detail in a future Newsletter.

Finally, here are some notes of interest gathered at the meeting"

1. There seems to be a growing tendency among private practice physical therapists in some areas to build or buy their own medical buildings.

2. The Oregon group which was well represented and appeared to be the most progressive, have incorporated in Portland, Oregon, together with some occupational therapists. The corporation handles contracts with home health agencies and others. They assured me that this has proved more advantageous than the usual practice of individual arrangements.

3. The physical therapists in Oregon employ a professional lobbyist in the State Capital who arranges meetings with legislators, checks and advises on new legislation, and generally takes care of their professional an economic interests, apparently with satisfactory results.

4. The APTA is apparently becoming involved in legal problems, to the degree that graduated of a non-recognized school are suing for admission as members.

5. Contracts with home health agencies were discussed, Ross Scott promised to send a copy of the form used in the Sacramento area. This will be available to all members upon request. It may help to clarify the legitimate relationship between the individual therapist and a home health agency, although it is hoped that future legislative amendments will eliminate or reduce the therapists's dependence on outside intermediaries.

SUMMARY

It was a good meeting, providing information and stimulating discussion and an exchange of ideas. Our position has improved and the future for Physical Therapists in private practice looks much more promising, compared with our almost completely "left-out" position just a few months ago. However, the fight for professional recognition is far from over and will require active support and intensive follow-up by all individual members. The points formulated by Clem Eishem deserve your most serious consideration and attention.

Respectfully submitted
by: Walter J. Jadeson

CANDIDATES A.P.T.A. MEETING

The following candidates have been endorsed by the Executive Committee of the Self-Employed Section.

President	Margaret Moore
First V.P.	Helen Blood
Seconded V.P.	Mary Bennett
Secretary	Mildred L. Wood
Treasurer	Charles Magistro
Directors	Beth H. Fowels Ph.D. Frank R. Hazelton Clarence Hultgren Doris Elaine Porter