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The Maze of Third Party Reimbursement

Despite the fact that the government runs Medicare, Medicare guidelines have rather clearly spelled out how PAs are reimbursed for care provided. It is not so clear with other entities that reimburse for our services. There are many private insurance companies serving Wisconsin – I would bet that each one handles charges submitted for PA provided care differently. To make matters worse, if you call an insurance company and ask “Do you reimburse for services provided by a PA?” the answer will be no..... How, then, do you know how to submit charges for your services and how will you be reimbursed? This is truly a maze. And it causes me heartburn, regularly.

A true story (which caused heartburn) – names have been changed to protect the innocent. An insurance provider in my area recently sold its HMO to Insurance Co X. Less than a week after this announcement, panic ensued. “Did you hear that PA and NP services are not covered by Insurance Co X. and just when we are changing our bonus to be production based!” The first point is that PA services are not reimbursed. Physician services rendered by a physician assistants are reimbursed. This is a subtle but very important difference. And it is the reason that if you call an insurance company and ask if PA services are reimbursed, the answer will be no. The person answering the phone will check their list of “covered providers”, PAs will not be listed and they will answer, “No, PA services are not covered”. However, if you ask, “are physician services provided by an appropriately licensed and certified PA covered when a physician submits the bill?”, the person answering the phone will likely have to check but the answer will be yes. (If you call and get “no” as your answer, please call WAPA. We will help you out!!)

The AAPA regularly helps PAs sort this out. Michael Powe and his staff in the AAPA Reimbursement Services department have done a fabulous job of helping PAs clarify insurance company policies. The AAPA has added a spot in their website in which you check the policies on reimbursement of PA services from private insurers. It is in www.aapa.org in the Professional Issues section. Click Reimbursement and then Private Payer Profiles. It not only lists whether services provided by a PA are covered, but at what rate, and if first assisting is covered. The AAPA also has copies of many insurance company policies on reimbursement for services provided by a PA. If a company that provides insurance to your area is not listed, you can call Fauzea Hussain at the AAPA 703-836-2272 or via email fauzea@aapa.org. She will check it out and let you know.

There is no overarching policy that directs independent private companies to treat claims made for services provided by a PA in one consistent way. In general, claims for PA services are handled one of two ways. 1) PAs are credentialed by the insurance company and receive a provider number (much like Medicare). This is certainly the easiest. Charges you generate are submitted under your provider number. 2) PAs are not credentialed by the insurance company. In this case, charges are submitted under the physician's provider number. It is OK for the company to do this – it is not fraud. It is simply felt to be easier by the companies who do it. In my story above, Insurance Co X wished for charges for services provided by PAs and NPs to be submitted this way. Often, the next question asked is “do they reimburse at 85% like Medicare? The answer is: the rate at which we are reimbursed is completely up to the insurance company. I do not know of any companies that reimburses at less than 85% of the physician rate. Most reimburse at 100% of the physician rate.

Remember, your billing department might be the greatest in the world and be doing everything right, but YOU are responsible for knowing this. It is your hard work that is being paid for and your value to the practice depends on making sure that your worth is recognized accurately.