

AMERICAN ACADEMY OF AUDIOLOGY

Resolution: ___2008-03_____

Subject: Incident To Billing for Audiology Services

1 Whereas, the American Academy of Audiology believes that it is necessary for Centers for
2 Medicare and Medicaid Services (CMS) to rectify improper “incident to” billing for audiology
3 tests (including hearing and balance assessments) when performed by an audiologist, and
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5 Whereas, the CMS has issued regulations explaining that only services that do not have their
6 own separate and independently listed benefit category may be billed as an “incident to” service,
7 and
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9 Whereas, in the calendar year CY 2002 Medicare Physician Fee Schedule (MPFS) final rule
10 published on November 1, 2001 (66 FR 55246), CMS amended the “incident to” billing
11 regulation to provide that “incident to” services and supplies means those services and supplies
12 that are included in section 1861(s) (2) (A) of the Act, and that are not specifically listed in the
13 Act as a separate benefit, and
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15 Whereas, in the CY 2003 MPFS final rule (67 FR 79966), CMS further clarified that only those
16 services that do not have their own separate and independently listed benefit category may be
17 billed as “incident to” a physician service (67 FR 79994), and
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19 Whereas, a discussion of CMS’s policy related to the “incident to” benefit was repeated in the
20 final Phase III physician self-referral rule (Stark Phase III) published in the September 5, 2007
21 *Federal Register* (72 FR 51012), and
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23 Whereas, in all these rules, CMS specifically stated in the preamble text that diagnostic x-ray
24 tests, diagnostic laboratory tests, and other diagnostic tests, all of which comprise a single benefit
25 category under section 1861(s)(3) of the Act, may not be billed as “incident to” services under
26 section 1861(s)(2)(A) of the Act, and
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28 Whereas, CMS has also clarified in recent correspondence to Congress that the statutory
29 authority to pay for audiology tests (including hearing and balance assessment services)
30 performed by a qualified audiologist is included under the diagnostic test benefit at section
31 1861(s)(3), which specifies a benefit for diagnostic x-ray tests, diagnostic laboratory tests, and
32 other diagnostic tests, and

1 Whereas, provisions in the Medicare manuals also state that “diagnostic testing, including
2 hearing and balance assessment services, performed by a qualified audiologist is covered as
3 “other diagnostic tests” under section 1861(s) (3) of the Social Security Act,” and

4 Whereas, with the advent of the National Provider Identifier (NPI) required for all providers of
5 services (regardless of their practice setting), it is time for Medicare to eliminate “incident to”
6 billing for audiology services and to require that all audiologists obtain an NPI, and

7 Whereas, the NPI was mandated by the HIPAA law to eliminate fraudulent billing, it is
8 important for all audiologists (regardless of their practice setting) to obtain an NPI even if they
9 are furnishing services in a physician’s office or in an independent audiology practice, and

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11 Whereas, based on the CMS regulations implemented beginning in 2002, it is clear that
12 audiology tests should not be billed as “incident to” a physician’s service, and
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14 Whereas, CMS’ continued acceptance of “incident to” billing for audiology services is counter to
15 its published regulations and precludes the true provider of the service(s) from being identified
16 despite audiologists being credentialed providers within the Medicare system,
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18 RESOLVED, that the American Academy of Audiology request CMS issue specific guidance
19 explaining that audiology services should not be billed as “incident to” a physician’s service.
20 Such guidance will eliminate improper reporting of audiology services and will be in compliance
21 with Federal law and CMS regulations.
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24 References:

25 Medicare Program; Revisions to Payment Policies Under the Physician Fee
26 Schedule for Calendar Year 2002; Final Rule 66 FR 55246, November 1, 2001
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28 Medicare Program; Revisions to Payment Policies Under the Physician Fee
29 Schedule for Calendar Year 2003; Final Rule, 67 FR 79966, December 31, 2002
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31 Medicare Program; Physicians’ Referrals to Health Care Entities With Which They
32 Have Financial Relationships (Phase III); Final Rule, 72 FR 51012, September 5, 2007
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34 Report to Congress: Direct Access to Licensed Audiologists under the Fee for Service Medicare
35 Program Medicare Funding of Second Year, August 2007
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37 US Department of Health and Human Services, Centers for Medicare & Medicaid Services,
38 Medicare Benefit Policy Manual (Publication 100-02) Chapter 15 Section 80.3