

PA Owned Practices and Independent Contracting



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Independent Contractor

- *Definition - one that contracts to do work or perform a service for another and that retains total and free control over the means or methods used in doing the work or performing the service — compare employee.*
- *Performs a service for someone and receives a W9 for tax purposes.*

Independent Contracting

- *Versatile and entrepreneurial way to practice medicine*
- *Flexible hours*
- *Freedom of choice and income*

Downfalls of being an IC

- *Know the laws in the state where you practice - some states will not allow PAs to work as IC*
- *Credentialing*
- *Billing - outsource vs on your own*
- *Malpractice*
- *Taxes*
- *Marketing*
- *CME*
- *Licensing/DEA*
- *Expenses - dues, association fees, supplies, phone, etc.*

Filing as IC

- *Will need to develop a company as an LLC or S-Corp and file for tax ID number.*
- *Need to file through the state for Name of company and which type*
- *Once approved, it will need to go to Federal for tax-ID number. (EIN)*
- *Open bank account tied to the business name - credit cards?*

AAPA stance

If independent contractor status appeals to you, the American Academy of Physician Assistants suggest the following tips:

- Establish yourself as a separate employer (e.g., business cards, Yellow Pages listings, advertisements, letters of incorporation, or the filing of a Schedule C tax form).
- Be able to show that your income is derived from more than one source.
- Be able to show that you offer special skills that the hiring company does not possess.
- Provide your own equipment, supplies and base of operation.
- Provide your own malpractice and other types of liability insurance.
- Make sure you receive IRS 1099 forms for all income and that you are reporting such income on your tax return.
- Avoid frequent changes from independent contractor to employee status.

Malpractice

- *Cover self*
- *If multiple employees, who covers*
- *Umbrella vs self*
- *1,000,000/3,000,000 vs 1,000,000/6,000,000*
- *Claims vs Occurrence*
 - *Occurrence - claims made during the term of the policy (during or after the terms of the policy)*
 - *Claims - claims made during the policy period*
- *AAPA information - <https://www.aapa.org/career-central/practice-tools/malpractice-insurance-basics/#1>*

Health Insurance

- *Pay own health insurance costs*
- *vision*
- *dental*
- *medical*
- *long/short term*
- *disability*

Credentialing

- *Multiple facilities*
- *Pay a CVO \$300-\$600 then pay each facility additional \$200-\$400*
- *Hospital dues*
- *some q yr. Others q 2 years*

Taxes

- *Do I become an “employee” in my own business. MEDICARE*
- *Set aside taxes*
- *bonus/dividend at end of year*
- *Accountant - a must in my opinion*
- *Multiple employees - make sure to know what constitutes an IC according to the IRS -*
- *http://www.twc.state.tx.us/news/efte/appx_d_irs_ic_test.html*

To Be or Not To Be

- *If working more in a clinical setting where the physician is determining when you work and where, you should be considered an employee.*
- *Check with IRS to determine what is an employee vs IC.*
- *“...if you control how and when the person works, she is an employee. If you plan to bill incident-to, which implies you are controlling how the PA works, it makes rational sense that she is an employee.”*
- *Who carries the malpractice.....*

Medicare

- *Providers must be enrolled in Medicare and have their own NPI number*
- *Be aware that it may take up to 6 months or longer to get registered.*

Medicare Assisting at Surgery

- *Bill the surgical code followed by the AS modifier.*
- *Use PA's NPI as rendering provider for the first assist.*
- *Reimbursement 13.6% of primary surgeon's allowable fee.*
- *Note that PAs are authorized to personally perform certain minor surgical procedures.*
- *There's a 'restricted list' of surgeries for which Medicare will not reimburse – applies to all health professionals.*

procedures are bundled services (a 'global period') and generally cover the pre-op H&P and follow

- *No payment is made for a PA assisting at surgery when it*

l that has an approved, accredited training program related to the specialty required for the parti

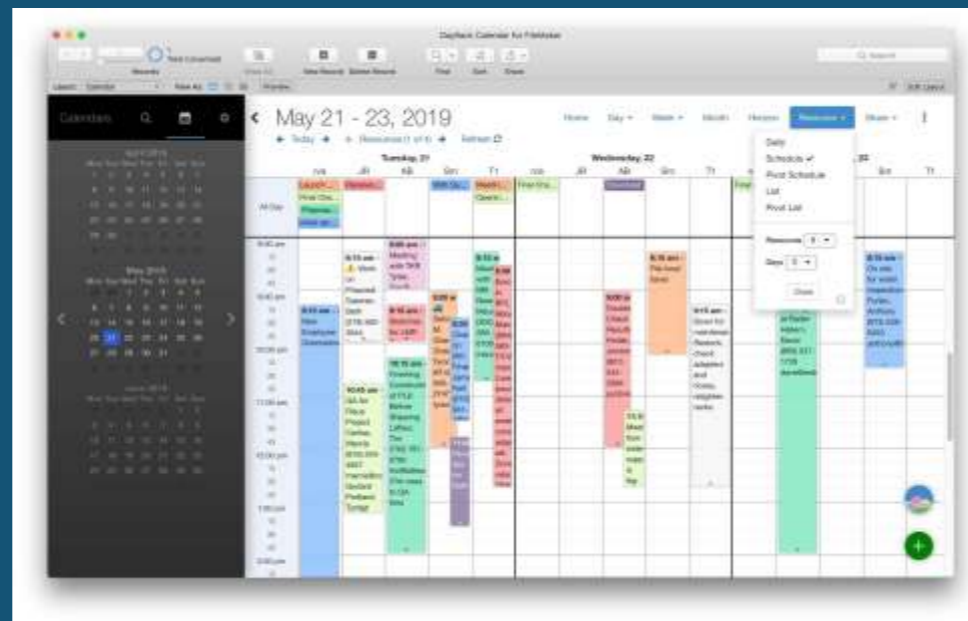
– Resident not available.

– Surgeons that have an across-the-board policy of not including residents in the care of patients.

– Trauma surgery.

Medicare Exclusion list

- *Know what is payable and what isn't*
- *Do you stay or do you go*
- *Planning your day/Discussion with scheduler and Doctor*



- *The following is a list of procedure codes for which Medicare will not reimburse a first-assistant-at- surgery in 2019. The list consists of procedures that Medicare has determined required a first-assistant- at-surgery in fewer than 5% of the cases nationally. The list applies to all first assistants - PAs, MDs, and NPs.*

- *First Assistant Not Payable Under*

- *Medicare for 2019*

G0104	10080	11422	11750	12053	15135	15781	17262	19330
G0105	10081	11423	11760	12054	15136	15786	17263	19340
G0105	10120	11424	11762	12055	15150	15787	17264	19350
G0121	10121	11426	11765	13100	15151	15788	17266	19370
G0121	10140	11440	11770	13101	15152	15789	17270	19371
G0127	10160	11441	11771	13102	15155	15822	17271	19380
G0168	10180	11442	11772	13120	15156	15823	17272	20101
G0268	11000	11443	11900	13121	15157	15840	17273	20102
G0460	11001	11444	11901	13122	15200	15851	17274	20200
0228T	11004	11446	11960	13131	15201	15852	17276	20205
0229T	11006	11450	11970	13132	15220	15931	17280	20206
0230T	11010	11470	11980	13133	15221	15934	17281	20220

Medicare - Residents

- *Specific rules when a PA/NP is working in a facility the utilizes residents*
- *Qualified hospitals must use residents when they are available for Medicare/Medicaid patients.*
- *If they are not available a modifier 82 when billing out services*

Medicare - Clinical

- *Employee Vs IC*
- *Bill under your own NPI*
- *?? Incident to billing*
- *Malpractice, DEA*

Who Pays?

- *Clinical - flat fee / hourly*
- *Employed National Average*
 - *Base - \$119,000*
 - *Compensation - \$134,000*

Medicare

- *Medicare cannot directly pay a PA for services.*
- *Ownership of business*
- *According to AAPA - Feb 7th, 2019 H.R.*

H.R. 1052, the Physician Assistant Direct Payment Act, to authorize PAs to receive direct payment under Medicare.

Currently, PAs are the only health professionals who are authorized to bill Medicare for their services but are not able to receive direct payment. Medicare permits all health professionals—physicians, advanced practice registered nurses (APRNs), physical therapists, psychologists, podiatrists, social workers, and others—to receive direct payment under their own name and National Provider Identifier number.

When PAs cannot be paid directly by Medicare or other insurance providers, they are unable to reassign their payments in a manner similar to physicians and APRNs. The inability to be paid directly further hinders PAs from fully participating in the increasing number of innovative value-based payment arrangements and emerging models of healthcare delivery. For example, the restriction means PAs have difficulty working for healthcare staffing companies, which are increasingly used by hospitals to deliver care, because they cannot reassign their Medicare payments to the hospital. here.”

Pros vs Cons

- *What is your overall goal*
 - *flexibility*
 - *freedom*
 - *liability*
 - *benefits*
 - *cost vs time*