

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



FACT SHEET

Guidelines for Teaching Physicians, Interns, and Residents





Services Furnished by an Intern or Resident Within the Scope of an Approved Training Program

Medical and surgical services furnished by you, the intern or resident, within the scope of your training program are covered as provider services and paid by Medicare through Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) payments. These services may not be billed or paid under the Medicare PFS. If you are in an approved program and training in a nonprovider setting, the services furnished are payable in one of the following ways:

This publication provides the following information:

- Payment for physician services in teaching settings;
- General documentation guidelines;
- Evaluation and management (E/M) documentation guidelines;
- Resources; and
- Glossary.

Payment for Physician Services in Teaching Settings

Services furnished in teaching settings are paid through the Medicare Physician Fee Schedule (PFS) if the services are:

- Personally furnished by a physician who is not a resident;
- Furnished by a resident when a teaching physician is physically present during the critical or key portions of the service; or
- Furnished by a resident under a primary care exception within an approved Graduate Medical Education (GME) Program.

- 1) Through DGME and IME payments to the hospital(s), if, among other things, you:
 - Provide patient care activities and the hospital(s) incurs your salary and fringe benefits during the time spent in the nonprovider setting; or
 - For DGME purposes – Spend time in certain nonpatient care activities in certain nonprovider settings and the hospital(s) incurs your salary and fringe benefits during the time spent in the nonprovider setting; or
- 2) Through the Medicare PFS if, in part, the regulations concerning the hospital's receipt of DGME and IME payments are not met for the time you spend in a nonprovider setting, and the time you spend in the nonprovider setting is not counted by the hospital for DGME and IME payment purposes.

Services Furnished by an Intern or Resident Outside the Scope of an Approved Training Program (Moonlighting)

Medical and surgical services that you, the intern or resident, furnish that are not related to your training program and furnish outside the facility where you have the training program are covered as physician services when the requirements in the first two bullets listed below are met. Medical and surgical services that you furnish that are not related to your training program and furnish in an outpatient department or emergency room of the hospital where you are in a training program are covered as physician services when the requirements in all three of the bullets listed below are met. When these criteria are met, the services are considered furnished in your capacity as a physician, not in your capacity as an intern or resident.

- The services are identifiable physician services, the nature of which require performance by a physician in person and contribute to the diagnosis or treatment of the patient's condition;
- You are fully licensed to practice medicine, osteopathy, dentistry, or podiatry by the State in which the services are performed; and
- The services furnished can be separately identified from those services that are required as part of the training program.

Billing Requirements for Teaching Physicians

You, as the teaching physician who involves residents in the care of his or her patients, must be identified as such on claims. These claims must comply with the requirements described in the General Documentation Guidelines and Evaluation and Management

Documentation Guidelines sections below. Claims must include the GC modifier, "This service has been performed in part by a resident under the direction of a teaching physician," for each service, unless the service is furnished under the primary care exception. When the GC modifier is included on a claim, you or another appropriate billing provider are certifying that you have complied with these requirements.

If you meet the requirements described in the Exception for Evaluation and Management Services Furnished in Certain Primary Care Centers section below, you must provide an attestation to the Medicare Contractor which states that these requirements have been met. Claims must include the GE modifier, "This service has been performed by a resident without the presence of a teaching physician under the primary care exception," for each service furnished under the primary care center exception.

General Documentation Guidelines

Both residents and teaching physicians may document physician services in the patient's medical record. The documentation must be dated and contain a legible signature or identity and may be:

- Dictated and transcribed;
- Typed;
- Hand-written; or
- Computer-generated.

A macro is a command in a computer or dictation application in an electronic medical record that automatically generates predetermined text that is not edited by the user. The teaching physician may use a macro as the required personal documentation if he or she personally adds it in a secured or password protected system. In addition to the teaching physician's macro, either the resident or the teaching physician must

provide customized information that is sufficient to support a medical necessity determination. The note in the electronic medical record must sufficiently describe the specific services furnished to the specific patient on the specific date. If both the resident and the teaching physician use only macros, this is considered insufficient documentation.

Evaluation and Management Documentation Guidelines

For a given encounter, the selection of the appropriate level of E/M services is determined according to the code of definitions in CPT® books and any applicable documentation guidelines. CPT® books are available from the American Medical Association.

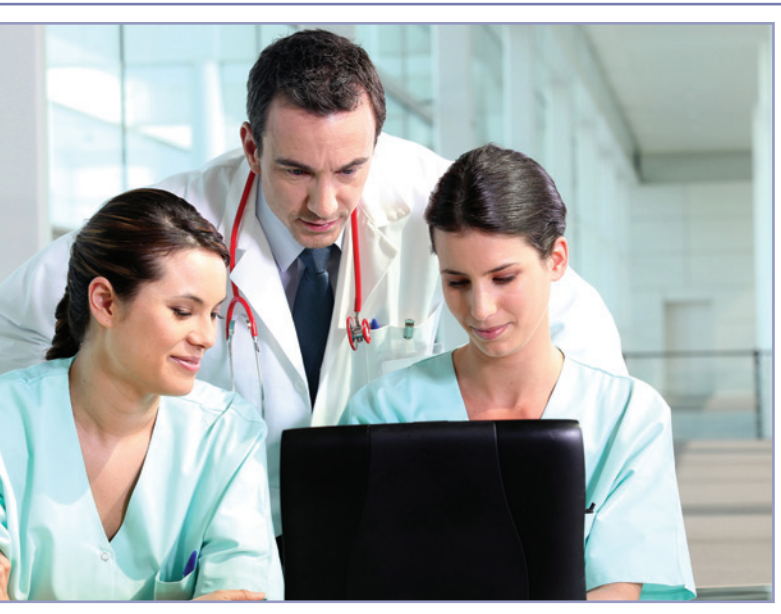
When a teaching physician bills for E/M services, he or she must personally document at least the following:

- That he or she performed the service or was physically present during the critical or key portions of the service furnished by the resident; and
- His or her participation in the management of the patient.

On medical review, the combined entries into the medical record by the teaching physician and resident constitute the documentation for the service and together must support the medical necessity of the service. Documentation by the resident of the presence and participation of the teaching physician is not sufficient to establish the presence and participation of the teaching physician.

Evaluation and Management Documentation Provided by Students

Any contribution and participation of a student to the performance of a billable service must be performed in the physical presence of a teaching physician or resident in a service that meets teaching physician billing requirements (other than the review of systems [ROS] and/or past, family, and/or social history [PFSH], which are taken as part of an E/M service and are not separately billable). You, the student, may document services in the medical record; however, the teaching physician may only refer to your documentation of an E/M service that is related to the ROS and/or PFSH. The teaching physician may not refer to your documentation of physical examination findings or medical decision making in his or her personal note. If you document E/M services, the teaching physician must verify and redocument the history of present illness and perform and redocument the physical examination and medical decision making activities of the service.



Exception for Evaluation and Management Services Furnished in Certain Primary Care Centers

Medicare may grant a primary care exception within an approved GME Program in which you, the teaching physician, are paid for certain E/M services the resident performs when you are not present. The lower- and mid-level E/M services included under the primary care exception are shown in the chart below.

New Patient	Established Patient
CPT Code 99201	CPT Code 99211
CPT Code 99202	CPT Code 99212
CPT Code 99203	CPT Code 99213

The Healthcare Common Procedure Coding System (HCPCS) codes included under the primary care exception are shown in the chart below.

HCPCS Code G0402	Initial preventive physical examination; face-to-face visit services limited to new beneficiary during the first 12 months of Medicare enrollment (effective January 1, 2005)
HCPCS Code G0438	Annual wellness visit, including personal preventive plan service, first visit (effective January 1, 2011)
HCPCS Code G0439	Annual wellness visit, including personal preventive plan service, subsequent visit (effective January 1, 2011)

For the exception to apply, a primary care center must attest in writing that all of the following conditions are met for a particular residency program:

- The services must be furnished in a primary care center located in the outpatient department of a hospital or another ambulatory care entity in which the time spent by residents in patient care activities is included in determining DGME payments to a teaching hospital. This requirement is not met when the resident is assigned to a physician's office away from the primary care center or he or she makes home visits. The nonhospital entity should verify with the Fiscal Intermediary (FI) or A/B Medicare Administrative Contractor (MAC) that it meets the requirements of a written agreement between the hospital and the entity;
- Residents who furnish billable patient care without the physical presence of a teaching physician must have completed more than six months of an approved residency program;
- The teaching physician who submits claims under the exception must not supervise more than four residents at any given time and must direct the care from such proximity as to constitute immediate availability;
- The teaching physician may include residents who have completed less than six months in an approved GME Residency Program in the mix of four residents under his or her supervision; however, the teaching physician must be physically present for the critical or key portions of these services (i.e., the primary care exception does not apply in the case of residents who have completed less than six months in an approved GME Residency Program);

- The teaching physician must:
 - Have no other responsibilities, including the supervision of other personnel, at the time services are furnished by residents;
 - Have primary medical responsibility for patients cared for by residents;
 - Ensure that the care furnished is reasonable and necessary;
 - Review the care furnished by residents during or immediately after each visit. This must include a review of the patient's medical history and diagnosis, the resident's findings on physical examination, and the treatment plan (e.g., record of tests and therapies); and
 - Document the extent of his or her participation in the review and direction of the services furnished to each patient; and
- The primary care center is considered the patients' primary location for health care services. Residents must be expected to generally furnish care to the same group of established patients during their residency training.

The types of services furnished by residents under the primary care exception include:

- Acute care for undifferentiated problems or chronic care for ongoing conditions, including chronic mental illness;
- Coordination of care furnished by other physicians and providers; and
- Comprehensive care not limited by organ system or diagnosis.

The residency programs most likely to qualify for the primary care exception are:

- Family practice;
- General internal medicine;
- Geriatric medicine;
- Pediatrics; and
- Obstetrics/gynecology.

Certain GME Programs in psychiatry may qualify for the primary care exception in special situations (e.g., when the program furnishes comprehensive care for chronically mentally ill patients). The range of services residents are trained to furnish, and actually furnish, at these primary care centers include comprehensive medical as well as psychiatric care.



Resources

CPT® Books

<https://catalog.ama-assn.org/Catalog/home.jsp>

Direct Graduate Medical Education and Indirect Medical Education

http://www.cms.gov/AcuteInpatientPPS/06_dgme.asp

http://www.cms.gov/AcuteInpatientPPS/07_ime.asp

Documentation Guidelines for Evaluation and Management Services

<http://www.cms.gov/MLNEdWebGuide/25EMDOC.asp>

Medicare Information for Beneficiaries

<http://www.medicare.gov>

“Physician” Section of MLN Guided Pathways to Medicare Resources Provider Specific Curriculum for Health Care Professionals, Suppliers, and Providers

http://www.cms.gov/MLNEdWebGuide/Downloads/Guided_Pathways_Provider_Specific_Booklet.pdf

Teaching Physician Services

Chapter 12 of the “Medicare Claims Processing Manual” (Publication 100-04)

<http://www.cms.gov/Manuals/IOM/list.asp>



Glossary

Critical or Key Portion

The part or parts of a service that the teaching physician determines are a critical or key portion.

Direct Medical and Surgical Services

Services to individual patients that are personally furnished by a physician or a resident under the supervision of a teaching physician.

Indirect Medical Education Adjustment

An additional payment that a prospective payment hospital receives for a Medicare discharge when it has residents in an approved GME Program.

Intern or Resident

An individual who participates in an approved GME Program or a physician who is not in an approved GME Program but who is authorized to practice only in a hospital setting (e.g., has a temporary or restricted license or is an unlicensed graduate of a foreign medical school). Also included in this definition are interns, residents, and fellows in GME Programs recognized as approved for purposes of DGME and IME payments made by FIs or A/B MACs. Receiving a staff or faculty appointment, participating in a fellowship, or whether a hospital includes the physician in its full-time equivalency count of residents does not by itself alter the individual’s status as a resident.

Medicare Physician Fee Schedule

The basis for which Medicare Part B pays for physician services. This FS lists the more than 7,400 covered services and their payment rates.

Physically Present

When the teaching physician is located in the same room as the patient (or a room that is subdivided with partitioned or curtained areas to accommodate multiple patients) and/or performs a face-to-face service.

Primary Care Center

An area located in the outpatient department of a hospital or another ambulatory care entity in which the time spent by residents in patient care activities is included in determining DGME payments to a teaching hospital.

Primary Care Exception

An exception within an approved GME Program that applies to limited situations where the resident is the primary caregiver and the faculty physician sees the patient only in a consultative role (i.e., those residency programs with requirements that are incompatible with a physical presence requirement). In such programs, it is beneficial for the resident to see patients without supervision in order to learn medical decision making.

Student

An individual who participates in an accredited educational program (e.g., medical school) that is not an approved GME Program and who is not considered an intern or resident. Medicare does not pay for any services furnished by these individuals.

Teaching Hospital

A hospital in which residents train in an approved GME Residency Program in medicine, osteopathy, dentistry, or podiatry.

Teaching Physician

A physician, other than an intern or resident, who involves residents in the care of his or her patients. Generally, for the service to be payable under the Medicare PFS, he or she must be present during all critical or key portions of the procedure and immediately available to furnish services during the entire service.

Teaching Setting

Any provider, hospital-based provider, or nonprovider setting in which Medicare payment for the services of residents is made by the FI or A/B MAC under the DGME payment methodology or on a reasonable cost basis to freestanding Skilled Nursing Facilities or Home Health Agencies.



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