



## Changes to the Payment Policies for Reciprocal Billing Arrangements and Fee-For-Time Compensation Arrangements (formerly referred to as Locum Tenens Arrangements)

MLN Matters Number: MM10090

Related Change Request (CR) Number: 10090

Related CR Release Date: May 12, 2017

Effective Date: June 13, 2017

Related CR Transmittal Number: R3774CP

Implementation Date: June 13, 2017

### PROVIDER TYPE AFFECTED

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This MLN Matters® Article is intended for physicians, physical therapists, and other providers submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### WHAT YOU NEED TO KNOW

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This article is based on Change Request (CR) 10090, which implements the 21st Century Cures Act (Section 16006). Outpatient physical therapy services furnished by physical therapists in a Health Professional Shortage Area (HPSA), a Medically Underserved Area (MUA), or in a rural area can be billed under reciprocal billing and fee-for-time compensation arrangements in the same manner as physicians bill effective June 13, 2017.

### BACKGROUND

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[Section 1842\(b\)\(6\)\(D\)](#) of the Social Security Act (the Act) allows payment to be made to a physician for physicians' services (and services furnished incident to such services) furnished by a second physician to patients of the first physician if the first physician is unavailable to provide the services, and the services are furnished pursuant to an arrangement that is either

- Informal and reciprocal, or
- Involves per diem or other fee-for-time compensation for such services.

In addition, the services must not be provided by the second physician over a continuous period of more than 60 days unless the regular physician is called or ordered to active duty as a member of a reserve component of the Armed Forces.

Effective June 13, 2017, this same process will be available to Medicare-enrolled physical therapists that use substitute physical therapists to furnish outpatient physical therapy services in a HPSA, MUA, or a rural area.

The purpose of CR10090 is to:

1. Implement [Section 16006](#) of the 21st Century Cures Act, which allows outpatient physical therapy services furnished by physical therapists in a HPSA, MUA, or in a rural area to be billed under reciprocal billing and fee-for-time compensation arrangements in the same manner as physicians bill; this is effective June 13, 2017. The term “locum tenens,” which has historically been used in the manual to mean fee-for-time compensation arrangements, is being discontinued because the title of section 16006 of the 21st Century Cures Act uses “locum tenens arrangements” to refer to both fee-for-time compensation arrangements and reciprocal billing arrangements. As a result, continuing to use the term “locum tenens” to refer solely to fee-for-time compensation arrangements is not consistent with the law and could be confusing to the public.
2. Update Chapter 1, Sections 30.2.1; 30.2.10; 30.2.11; 30.2.13; and 30.2.14 of the “Medicare Claims Processing Manual” by changing “Carriers” to “A/B MACs Part B” and removing all references to “UPIN” (since the terms carriers and UPIN are obsolete).
3. Update Chapter 1, Sections 30.2.10 and 30.2.11 of the “Medicare Claims Processing Manual” to clarify that when a regular physician or physical therapist is called or ordered to active duty as a member of a reserve component of the Armed Forces for a continuous period of longer than 60 days, payment may be made to that regular physician or physical therapist for services furnished by a substitute under reciprocal billing arrangements or fee-for-time compensation arrangements throughout that entire period. This policy is required by section 137 of the Medicare Improvements for Patients and Providers Act of 2008.

**Note:** The revised portions of Chapter 1, Section 30 of the “Medicare Claims Processing Manual” are included as an attachment to CR10090.

### **Q5 and Q6 Modifiers**

MACs will accept claims from Physical Therapists, Provider Specialty 65 – Physical Therapist in Private Practice, for reciprocal billing arrangements, when submitted with the Q5 modifier. MACs will accept claims from Physical Therapists, Provider Specialty 65 – Physical Therapist in Private Practice, for fee-for-time compensation arrangements, when submitted with the Q6 modifier. MACs will accept claims from physical therapists that are reported with a Q5 or Q6 modifier whose descriptor references only physicians. When the descriptors are updated to include physical therapists and physicians, MACs will accept the Q5 or Q6 modifier with the updated descriptor.

**Note:** The Q5 and Q6 modifiers’ descriptors will be amended to include physical therapists in addition to physicians in the near future in a HCPCS quarterly update.

## **ADDITIONAL INFORMATION**

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The official instruction, CR10090, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3774CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

## DOCUMENT HISTORY

Date of Change	Description
May 15, 2017	Initial article released.

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