



GUIDELINES FOR TEACHING PHYSICIANS, INTERNS, AND RESIDENTS

Target Audience: Medicare Fee-For-Service Providers

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Learn about these topics:

- Payment for physician services in teaching settings
- General documentation guidelines
- Evaluation and management (E/M) documentation guidelines
- Exception for E/M services furnished in certain primary care centers

When we use “you” in this publication, we are referring to teaching physicians.

PAYMENT FOR PHYSICIAN SERVICES IN TEACHING SETTINGS

Medicare pays for services furnished in teaching settings through the Medicare Physician Fee Schedule (PFS) if the services meet one of these criteria:

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

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

Medical and surgical services furnished by an intern or resident within the scope of his or her training program are covered as provider services and Medicare pays for them through Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) payments. These services may not be billed or paid under the Medicare PFS. When interns or residents are in an approved program and training in a nonprovider setting, the services furnished are payable in one of these ways:

1. Through payments to the hospital(s), if, among other things, one of these criteria are met:
 - For DGME and IME purposes, if he or she provides patient care activities and the hospital(s) incurs salary and fringe benefits of the resident or intern during the time spent in the nonprovider setting
 - For DGME purposes, if he or she spends time in certain nonpatient care activities in certain nonprovider settings and the hospital(s) incurs salary and fringe benefits of the resident or intern during the time he or she 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 spent in a nonprovider setting, and the time spent in the nonprovider setting is not counted by the hospital for DGME and IME payment purposes

Anesthesia Services Furnished in Teaching Settings

Medicare pays for these procedures under the Medicare PFS if the teaching anesthesiologist is involved in one of these:

- The training of a resident in a single anesthesia case
- Two concurrent anesthesia cases involving residents or
- A single anesthesia case involving a resident that is concurrent to another case that meets the requirements for payment at the medically directed rate

All of these requirements must be met to qualify for payment:

- The teaching anesthesiologist or different anesthesiologist(s) in the same anesthesia group must be present during all critical or key portions of the anesthesia service or procedure and
- The teaching anesthesiologist or another anesthesiologist with whom he or she has entered into an arrangement must be immediately available to provide anesthesia services during the entire procedure

The patient's medical record must document all of these:

- The teaching anesthesiologist's presence during all critical or key portions of the anesthesia procedure and
- The immediate availability of another teaching anesthesiologist as necessary

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

This table provides the requirements for services to be covered as physician services when an intern or resident furnishes medical and surgical services not related to their training program and furnishes such services 1) outside the facility where he or she has the training program and 2) in an outpatient department or emergency room of the hospital where he or she is in a training program. When all of the requirements are met, the services are considered furnished in the intern's or resident's capacity as a physician, not in his or her capacity as an intern or resident.

Requirements for Coverage of Services Furnished in Intern's or Resident's Capacity as a Physician

Setting	Requirements
1. Outside the facility where the intern or resident has the training program	<p>All of these requirements must be met:</p> <ul style="list-style-type: none"> • 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 and • The intern or resident is fully licensed to practice medicine, osteopathy, dentistry, or podiatry by the State where the services are performed
2. In an outpatient department or emergency room of the hospital where the intern or resident is in a training program	<p>All of these requirements must be met:</p> <ul style="list-style-type: none"> • 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 • The intern or resident is fully licensed to practice medicine, osteopathy, dentistry, or podiatry by the State where 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 must be identified as the teaching physician who involves residents in the care of your patients on claims. Claims must comply with requirements in the General Documentation Guidelines and E/M Documentation Guidelines sections. 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 complied with these requirements.

If you meet the requirements in the Exception for E/M Services Furnished in Certain Primary Care Centers section, you must provide an attestation to the Medicare Administrative Contractor (MAC) stating that you have met these requirements. 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.

Billing Requirements for Teaching Anesthesiologists

When different teaching anesthesiologists are present with the resident during the critical or key portions of the procedure, report the National Provider Identifier of the teaching anesthesiologist who started the case on the claim.

Submit teaching anesthesiologist claims using these modifiers:

- AA – Anesthesia services performed personally by anesthesiologist and
- GC – This service has been performed in part by a resident under the direction of a teaching physician

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GENERAL DOCUMENTATION GUIDELINES

Both you and residents 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 completed using one of these methods:

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

You may use a macro, which 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, as the required personal documentation if you personally add it in a secured or password-protected system. In addition to your macro, either you or the resident 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 you and the resident use only macros, it is not considered sufficient documentation.

EVALUATION AND MANAGEMENT (E/M) DOCUMENTATION GUIDELINES

For a given encounter, select the appropriate level of E/M service code according to the definitions of the code in CPT® books and any applicable documentation guidelines.

When you bill E/M services, you must personally document at least all of the following:

- That you performed the service or were physically present during the critical or key portions of the service furnished by the resident and
- Your participation in the management of the patient

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

E/M Documentation Provided by Students

Any contribution and participation of a student to the performance of a billable service (other than review of systems and/or past family/social history which are not separately billable, but are taken as part of an E/M service) must be performed in the physical presence of a teaching physician or the physical presence of a resident in a service that meets the requirements in this section for teaching physician billing. Students may document services in the medical record; however, the teaching physician must verify in the medical record all student documentation or findings, including history, physical exam,

and/or medical decision making. The teaching physician must personally perform (or re-perform) the physical exam and medical decision making activities of the E/M service being billed and may verify any student documentation of them in the medical record rather than re-documenting this work.

EXCEPTION FOR E/M SERVICES FURNISHED IN CERTAIN PRIMARY CARE CENTERS

Medicare may grant a primary care exception within an approved GME Program in which you are paid for certain E/M services the resident performs when you are not present.

Lower- and Mid-Level E/M Services Included Under Primary Care Exception

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

HCPCS Codes Included Under Primary Care Exception

HCPCS Code	Descriptor
HCPCS Code G0402	Initial preventive physical examination; face-to-face visit, services limited to new beneficiary during the first 12 months of Medicare enrollment
HCPCS Code G0438	Annual wellness visit, includes a personalized prevention plan of service (PPPS), initial visit
HCPCS Code G0439	Annual wellness visit, includes a personalized prevention plan of service (PPPS), subsequent visit

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

- The services were furnished in a primary care center located in the outpatient department of a hospital or another ambulatory care entity where 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 when he or she makes home visits. The non-hospital entity should verify with the MAC that it meets the requirements of a written agreement between the hospital and the entity.
- Residents who furnish billable patient care without your physical presence have completed more than 6 months of an approved residency program.
- You must not supervise more than four residents at any given time and must direct the care from such proximity as to constitute immediate availability.

- You may include residents who have completed less than 6 months in an approved GME Residency Program in the mix of four residents under your supervision; however, you must be physically present for the critical or key portions of these services (that is, the primary care exception does not apply in the case of residents who have completed less than 6 months in an approved GME Residency Program).
- You 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 (for example, record of tests and therapies).
 - Document the extent of your participation in the review and direction of the services furnished to each patient.
- The primary care center is considered the patient's 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.

Centers that exercise the primary care exception do not need to obtain prior approval. Primary care centers must maintain records demonstrating that they qualify for the exception.

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 include:

- 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 (for example, 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 includes comprehensive medical as well as psychiatric care.

RESOURCES

Teaching Physicians, Interns, and Residents Resources

For More Information About...	Resource
Teaching Physician Services	Chapter 12 of the Medicare Claims Processing Manual (Publication 100-04)
Documentation Guidelines for E/M Services	1995 Documentation Guidelines for Evaluation and Management Services 1997 Documentation Guidelines for Evaluation and Management Services
Direct GME	CMS.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dgme.html
IME	CMS.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Indirect-Medical-Education-IME.html
CPT® Books	Commerce.ama-assn.org/store
All Available Medicare Learning Network® (MLN) Products	MLN Catalog
Medicare Information for Patients	Medicare.gov

Hyperlink Table

Embedded Hyperlink	Complete URL
Chapter 12 of the Medicare Claims Processing Manual	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c12.pdf
1995 Documentation Guidelines for Evaluation and Management Services	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/95Docguidelines.pdf
1997 Documentation Guidelines for Evaluation and Management Services	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/97Docguidelines.pdf
MLN Catalog	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf

GLOSSARY

Critical or Key Portion

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

Direct Medical and Surgical Services

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

Indirect Medical Education Adjustment

An additional payment 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 (for example, has a temporary or restricted license or is an unlicensed graduate of a foreign medical school). For DGME and IME payment purposes, a resident means an intern, resident, or fellow who is formally accepted, enrolled, and participating in an approved medical residency program including programs in osteopathy, dentistry, and podiatry as required to become certified by the appropriate specialty board.

Medicare Physician Fee Schedule

The fee schedule that pays for Medicare Part B physician services. It lists the more than 7,000 unique codes 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 where 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 when the resident is the primary caregiver and the faculty physician sees the patient only in a consultative role (that is, 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 to learn medical decision making.

Student

An individual who participates in an accredited educational program (for example, 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 where 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 where the MAC pays for the services of residents under the DGME payment methodology or on a reasonable cost basis to freestanding Skilled Nursing Facilities or Home Health Agencies.

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