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

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Guidelines for Teaching Physicians, Interns, and Residents

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Please note: The information in this publication applies only to the Medicare Fee-For-Service Program (also known as Original Medicare).

This publication provides the following information:

- 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;
- Resources; and
- Glossary.

When "you" is used 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 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.

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 the following ways:

1) Through DGME and IME payments to the hospital(s), if, among other things, 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; or
   - For DGME purposes, 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

Effective January 1, 2010, Medicare pays for the following procedures under the Medicare PFS if the teaching anesthesiologist is involved in:

- 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 paid under medical direction rules.

The following 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:

- 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)

The chart on page 4 shows the requirements that must be met for services to be covered as physician services when an intern or resident furnishes medical and surgical services that are 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	**All** of the following requirements must be met: • 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 in which 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	**All** of the following requirements must be met: • 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 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 must be identified as the teaching physician who involves residents in the care of your patients on claims. Claims must comply with requirements described in the "General Documentation Guidelines" and "E/M Documentation Guidelines" sections on pages 5-6. 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 certify that you complied with these requirements.

If you meet the requirements described in the "Exception for E/M Services Furnished in Certain Primary Care Centers" section on pages 6-7, you must provide an attestation to the Medicare Administrative Contractor (MAC) which states 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 the following 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.

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:

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

You may use a macro, 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, this is considered insufficient documentation.

E/M Documentation Guidelines

For a given encounter, the selection of the appropriate level of E/M service code is determined according to the definitions of the code in Current Procedural Terminology (CPT®) books and any applicable documentation guidelines. You may order CPT® books from the American Medical Association (AMA) at https://commerce.ama-assn.org/store on the AMA website.

When you bill E/M services, you must personally document at least 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 must be performed in the physical presence of a teaching physician or resident in a service that meets teaching physician billing requirements. Exceptions to this requirement are 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. The student may document services in the medical record; however, you may only refer to the student's documentation of an E/M service that is related to the ROS and/or PFSH. You may not refer to a student's documentation of physical examination findings or medical decision making in your personal note. If the student documents E/M services, you 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 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.

The chart below shows the lower- and mid-level E/M services that are included under the primary care exception.

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

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

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, including personal preventive plan service, first visit
HCPCS Code G0439	Annual wellness visit, including personal preventive plan service, subsequent visit

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 were 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 when he or she makes home visits. The nonhospital 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 must complete 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); and
  - Document the extent of your participation in the review and direction of the services furnished to each patient; and
  - 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 which demonstrate 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 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 (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) located at http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c12.pdf on the Centers for Medicare & Medicaid Services (CMS) website
Documentation Guidelines for Evaluation and Management Services	http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/EMDOC.html on the CMS website
Direct Graduate Medical Education	http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dgme.html on the CMS website
Indirect Medical Education	http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Indirect-Medical-Education-IME.html on the CMS website
All Available Medicare Learning Network® (MLN) Products	"MLN Catalog" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf on the CMS website or scan the Quick Response (QR) code on the right
Provider-Specific Medicare Information	MLN publication titled "MLN Guided Pathways: Provider Specific Medicare Resources" located at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/Guided_Pathways_Provider_Specific_booklet.pdf on the CMS website
Medicare Information for Patients	http://www.medicare.gov on the CMS website

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 (IME) 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 (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 (PFS)

The fee schedule that pays for Medicare Part B physician services. It lists the more than 7,400 unique 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 (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 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 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.

This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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