

## Where Can I Find More Information?

### *Medicare Carriers Manual, Part 3 – Claims Process*

[www.cms.hhs.gov/manuals/14\\_car/  
3b15000.asp](http://www.cms.hhs.gov/manuals/14_car/3b15000.asp)

This manual contains claims processing and payment procedures such as coverage of services, bill review, reasonable charges, and other pertinent claims procedures. Specific information regarding the revised documentation requirements for E/M services billed by teaching physicians is located within the *Medicare Carriers Manual, Part 3 – Claims Process* and *Transmittal 1780* (Change Request 2290) dated November 22, 2002. The revised data is currently being migrated into the CMS Online Manual System and incorporated into the *Medicare Claims Processing Manual*, which can be accessed at [www.cms.hhs.gov/manuals/104\\_claims/clm104index.asp](http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp) on the Web.

### *1997 Documentation Guidelines for Evaluation and Management Services*

[www.cms.hhs.gov/medlearn/emdoc.asp](http://www.cms.hhs.gov/medlearn/emdoc.asp)

This document contains information regarding the documentation of E/M services, medical history, medical examination, the complexity of medical decision-making, and encounters dominated by counseling or coordination of care.

### *Medicare Resident and New Physician Guide*

[www.cms.hhs.gov/medlearn/mrnp-guide.pdf](http://www.cms.hhs.gov/medlearn/mrnp-guide.pdf)

This guide contains information regarding: the Medicare program, becoming a Medicare physician, claims and filing, Medicare Secondary Payer, Part B policies, E/M documentation, medical review, Medicare Program Integrity (PI), and legislation affecting Medicare.

*Download the Health Insurance Claim  
Form CMS-1500 at:*

[www.cms.hhs.gov/providers/edi/  
1500info.asp](http://www.cms.hhs.gov/providers/edi/1500info.asp)

## *The Medicare Learning Network (MLN)*

The Medicare Learning Network (MLN) is the brand name for official CMS educational products and information for Medicare providers. Please visit the MLN website at [www.cms.hhs.gov/medlearn](http://www.cms.hhs.gov/medlearn) for access to other educational products such as web-based training courses, Medlearn Matters articles, brochures, fact sheets, and more.

*The ICD-9-CM codes and descriptors used in this publication are copyright 2003 under uniform copyright convention. All rights reserved.*

*CPT codes, descriptions, and other data only are copyright 2003 American Medical Association (or such other date of publication of CPT). All rights reserved. Applicable FARS/DFARS apply. CPT® is Current Procedural Terminology, and was developed by the American Medical Association in 1966. Each year, an annual publication is prepared, that makes changes corresponding with significant updates in medical technology and practice. The most recent version of CPT, CPT 2003, contains 8,107 codes and descriptors.*

*The document is not intended to serve as a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.*



September 2004



## Teaching Physician Services:

*Guidelines for Teaching Physicians  
and Residents*



**CMS**  
CENTERS for MEDICARE & MEDICAID SERVICES

**Medicare  
Learning  
Network**

## Overview

The Centers for Medicare & Medicaid Services (CMS) implemented revised guidelines, effective November 22, 2002, for Evaluation and Management (E/M) services billed by teaching physicians, residents, and students. These guideline revisions clarify the documentation requirements for a teaching physician billing E/M Services. This brochure addresses resident qualification, direct Graduate Medical Education (GME) services, Medicare coverage, and Medicare billing requirements for physician services provided in teaching settings.

## Who Qualifies as a Resident?

A resident is a physician who is enrolled in a GME program approved by the Accreditation Council for Graduate Medical Education (ACGME), or a physician who is authorized to practice only in a hospital setting. Physicians authorized to practice only in a hospital setting include individuals with temporary or restricted licenses, and graduates of foreign medical schools. A medical student does not qualify as a resident.



## What Constitutes a Direct GME Payment?

Direct GME payment is payment made to hospitals that train residents in approved residency programs. When providing services to individual beneficiaries, the residents must be supervised by a teaching physician. The Medicare Direct GME payment is intended to help cover a hospital's costs for teaching physician's salaries, residents salaries, and administrative costs related to the residency program.

## Under What Conditions Does Medicare Provide Payment for Physician Services in Teaching Settings?

Medicare will pay for the following physician services when furnished in a teaching setting under the Medicare Physician Fee Schedule:

1. Services personally furnished by a physician who is not a resident.
2. The teaching physician is physically present during the critical or key portion(s) of the service performed by a resident, and the teaching physician participates in the management of the patient.
3. The following E/M services performed by residents in the absence of a teaching physician where the GME program has been granted a primary care exception:
  - Office and/or outpatient visits for new patients, Current Procedural Terminology (CPT) codes 99201-99203; and
  - Office and/or outpatient visits for established patients, CPT codes 99211-99213.

The teaching physician must be identified when submitting the claim, and the Healthcare Common Procedure Coding System (HCPCS) GC<sup>1</sup> modifier must be entered into block/field 24d of Form CMS-1500. The GC modifier denotes that the service was performed, in part, by a resident under the direction of a teaching physician.

## Which Resident Services Must be Performed in the Presence of a Teaching Physician in Order to Receive Medicare Coverage?

Any billable service performed by a student [other than the review of systems and/or past, family, or social history which are taken as part of an E/M service] must be performed in the physical presence of a teaching physician or a resident that meets the requirements for teaching physician billing, as specified in Chapter 12, Section 100 of the *Medicare Claims Processing Manual*. In a case requiring major surgical procedures and other complex and high risk procedures to be performed by a resident, the teaching physician must be present during all critical and key portions of the procedure, as well as be immediately available to furnish services during the entire procedure.

## Who May Document Patient Medical Information?

Residents and/or teaching physicians may document physician services within the patient's medical record. Documentation of an E/M service by a student, to which a teaching physician may refer, is limited to a review of systems and/or past, family, or social history.

## What Type of Documentation Is Acceptable for Billing Medicare?

Notes may be dictated and transcribed, typed, handwritten, or computer-generated. Notes must be dated and include a legible signature or identity. Teaching physicians billing Medicare for E/M services must personally document at least the following:

- That they performed the service or were physically present during the key or critical portions of the service when performed by the resident; and
- The participation of the teaching physician in the management of the patient.

When assigning codes to services billed by teaching physicians, reviewers will combine the documentation of both the resident and the teaching physician. On Medical Review (MR), the combined entries into the medical record by the teaching physician and the



resident constitute the documentation for the service and together must support the medical necessity of the service.

**Note:** Documentation by the resident certifying the presence and participation of the teaching physician is not sufficient to establish the presence and the participation of the teaching physician.

## What Requirements Must Be Met to Receive the Primary Care Exception?

To qualify for this exception, GME programs must attest, in writing, that all of the conditions outlined in Chapter 12, Section 100 of the *Medicare Claims Processing Manual* are met for a particular residency program. Centers exercising the primary care exception must maintain records demonstrating that they qualify for the exception. Services billed under this exception must be identified on Form CMS-1500, using the HCPCS GE<sup>2</sup> modifier.

<sup>1</sup> "This service has been performed in part by a resident under the direction of a teaching physician."

<sup>2</sup> "This service has been performed by a resident without the presence of a teaching physician under the primary care exception."