



How to Bill for Locum Tenens Services

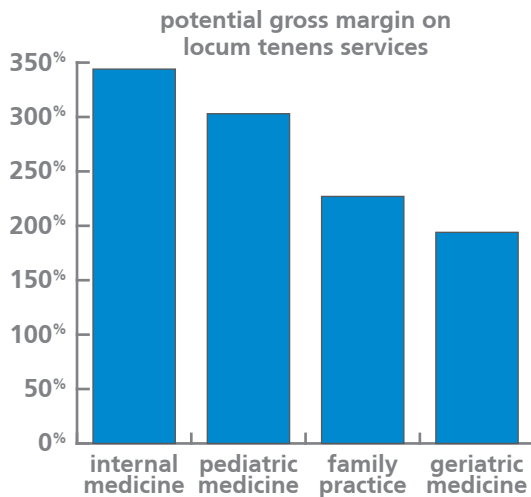
Not billing for locum tenens potentially costs industry hundreds of millions a year.

A recent survey by physician staffing firm LocumTenens.com revealed that 16 percent of respondents who hire locum tenens physicians do not bill for their services. Based on the amount of work done by locum tenens physicians, it is possible that a quarter of a billion dollars or more was left on the table last year by clients who did not bill for locum tenens physicians' services.

Some people are reluctant to use locum tenens physicians because they are concerned about cost. Others, recognizing the risk of patient attrition and the long-term negative effect this could have on their practices, hire locum tenens physicians but absorb the expense and write it off as part of the cost of doing business, not realizing that those costs can be recovered.

What is the potential upside of billing for locum tenens? The Medical Group Management Association (MGMA) reports that the average collections for professional charges per day for internal medicine specialists is about \$1658 and \$2002 for pediatric medicine specialists, well above the average daily rate paid for a locum tenens physician. The table at right shows average daily professional fees collected for other primary care specialties.

collections for professional charges (per day)	
internal medicine	\$ 1,658
pediatric medicine	\$ 2,002
geriatric medicine	\$ 991
family practice (with OB)	\$ 1,899
family practice (without OB)	\$ 1,718



Includes average inpatient payments and professional fee collections by speciality. Does not include costs related to travel and housing, overtime or on-call pay.

LocumTenens.com estimates that the gross margin achieved by hospitals and facilities that bill for locum tenens primary care providers' services ranges from nearly 200 to 344 percent (left), including all inpatient payments associated with their services. Obviously, the potential money left on the table from failing to bill for locum tenens is significant, and the missed revenue from leaving a single vacancy unfilled makes the professional fees look insignificant. According to data from the Advisory Board Company (below), hospital in-patient payments (not inclusive of professional fees) for primary care providers reach into the tens of thousands of dollars per month depending on speciality.

Four out of 10 respondents to LocumTenens.com's survey said they did not bill for locum tenens physicians because they didn't know how or because they thought it was too complicated. What these respondents don't realize is that Medicare and many third-party payers allow physicians to bill for services performed by locum tenens physicians during their absence.

estimated monthly all-payer hospital inpatient payments per physician	
internal medicine	\$ 63,605
pediatric medicine	\$ 37,502
geriatric medicine	\$ 34,165
family practice	\$ 20,164
general practice	\$ 15,530

If you fall into the ranks of the uninformed, read on. The Centers for Medicare & Medicaid Services (CMS) have specific rules and procedures for how locum tenens services may be billed. Understanding these rules will help you maximize the benefit of locum tenens coverage.

Scenario One: Billing for locum tenens coverage for an absent physician

If a physician is absent for a limited period of time for vacation, disability, continuing education, etc, you may bill Medicare for services performed by a locum tenens physician under the regular physician's NPI as long as the following conditions are met.

- The regular physician must be unavailable.
- The locum must be compensated on a per diem or similar fee for time basis.
- The Medicare beneficiary seeks to receive the services from the regular physician.
- The regular physician cannot bill for the services of a locum tenens physician for a continuous period of longer than 60 calendar days.

If, after returning to work for a brief period of time, the regular physician must be absent again, the same locum tenens physician may be re-hired and a new 60-day period begins.

If a physician is absent longer than 60 days without returning to work, the locum tenens must be credentialed and enrolled as you would do if this were a new physician. (Some coding sites claim erroneously that you may hire a new locum tenens physician at the end of 60 days.)

Claims & Documentation

A record must be kept of each service provided by the locum physician along with the locum's physician identification number. A seasoned locum tenens provider will be accustomed to the required documentation.

As illustrated below, Medicare requires claims for services provided by a locum tenens physician to include the Q6 modifier, which designates services were performed by a locum tenens physician, in box 24D of the CMS-1500 form. The regular physician's provider identification number goes in box 24J.

Claims must contain the modifier 'Q6' after the procedure code in box 24D of the CMS-1500 form

Claims must contain the NPI of the regular physician in box 24J of the CMS-1500 form

	24. A. DATE(S) OF SERVICE						B. PLACE OF SERVICE	C. SERVICE	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #
	From MM DD YY	To MM DD YY	MM	DD	YY	MM									
1	08	09	10	08	09	10	21	N	36620	Q6	1	2.4300	1	N	Reg MD NPI
2														NPI	

The Medicare Claims Processing Manual makes specific mention of an exception to the locum tenens billing procedure, which affects post-operative services: "If the only substitution services a physician performs in connection with an operation are post-operative services furnished during the period covered by the global fee, these services need not be identified on the claim as substitution services," ("Medicare claims processing," 30.2.11).

Medicaid

Most state Medicaid plans follow CMS guidelines. Please check with your state's Medicaid plan for guidance. If they do not allow billing under the regular physician's identification, you will need to follow the normal enrollment procedures as you would if this were a new physician.

Contracted payers – HMOs, PPOs, etc.

Check your contract for specifics. If it is not specified in your contract, contact your provider relations representative. Most payers will allow billing for a locum under the regular physician's name and NPI. However, some payers will want to credential the locum physician prior to billing and will require you to bill under the locum name. If the payer has delegated credentialing to you, the timeline for this can be quite short. If you must rely on the insurance company, allow 30–60 days for their credentialing process. Some payers will pay retroactively to the first date of service and some will only pay claims with dates of service after the finalization of the credentialing process. Again, check your contract for specifics.

Non-Contracted payers – Commercial insurance

Most commercial insurance plans will pay for locum services when billed under the regular physician's NPI. If you are not contracted, credentialing is usually not required.

Scenario Two: Billing for locum tenens coverage for a vacancy

Medicare permits billing under the Q6 modifier on behalf of a physician who has left a practice for a period of no more than 60 days. The same rules apply as above.

Scenario Three: Billing for locums coverage for new growth or seasonal coverage

In the event that you must hire locum tenens physicians to cover seasonal and/or peak demand or while filling a vacancy created because you are growing your practice, all payers will require the locum physician to go through the normal credentialing and enrollment processes. Some locum tenens agencies, like LocumTenens.com, will assist with credentialing. You will need to complete all forms and submit them at least 60 days prior to the first working day of the locum physician to make sure the payers will reimburse the group or employer for their services.

Billing for the services of locum tenens physicians can be a little tricky and timing is important, but it is well worth the investment of time when your reimbursements flow in as usual. Generally, the professional fees collected for services provided by a locum tenens physician more than cover their per diem rates and travel costs. Hiring locum tenens provides the double bonus of allowing you to maintain revenue and prevent patient attrition.

Lisa Farmer

Vice President, Jackson Revenue Management

Ms. Farmer has more than 20 years of healthcare practice management and revenue cycle experience. Prior to joining Jackson Revenue Management, she served as administrator for a 90 physician anesthesiology academic practice and as executive director for a 300+ physician practice central business office. She holds an MBA from Emory University and is an active member of MGMA and the Georgia Anesthesia Administrators Assembly.

References

Medicare claims processing manual. Sec 30.2.11. (2010). Centers for Medicare and Medicaid (CMS). Retrieved from <https://www.cms.gov/manuals/downloads/clm104c01.pdf>

Physician compensation and production survey. (2008). Medical Group Management Association (MGMA).

"Locum Tenens: A Smart Investment." (2008). National Association of Locum Tenens Organizations (NALTO). Retrieved from http://www.nalto.org/documents/ROI_article-Formatted-Updated_Oct_2008.pdf