Physician Payment Under Locum Tenens Arrangements

It is a longstanding and widespread practice for physicians to retain substitute physicians to take over their professional practices when the regular physicians are absent for reasons such as:
- Illness
- Pregnancy
- Vacation
- Continuing medical education

The substitute physician is known as a “locum tenens” physician who:
- Has no practice of his/her own
- Moves from area to area as needed
- Receives payment from the regular physician on a fixed amount per diem
- Has the status of an independent contractor rather than of an employee
- Provides the visit services to Medicare patients over a continuous period of no longer than 60 days

How do locum tenens arrangements work?
- The regular physician (the physician that is normally scheduled to see a patient) submits the claim under his/her NPI, using the appropriate procedure codes and HCPCS modifier Q6.
- The regular physician, not the locum tenens physician, receives any Medicare payment for the service.
- The regular physician pays the locum tenens physician for his/her services on a per diem or similar fee-for-time basis.

Exceptions
- There is an exception to the 60-day limit on substitute physician billing for physicians called to active duty in the Armed Forces
- 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.

Locum tenens arrangements and provider groups:
- The group’s payment to the locum tenens physician is considered paid by the regular physician (the group pays the locum tenens physician on behalf of the regular physician).
- When a physician has left the group and the group has engaged a locum tenens physician as a temporary replacement, the group may bill for the temporary physician for up to 60 days.
- HCPCS modifier Q6 is still required.
- The claim must include both the group NPI and the regular physician’s NPI.
- Until further notice, the group must keep on file a record of each service provided by the substitute physician, associated with the substitute physician’s NPI when required, and make this record available to the CGS upon request.

Reference:
- CMS Medicare Claims Processing Manual (Pub. 100-04), chapter 1, section 30.2.11