Physician Payment under Reciprocal Billing Arrangements

It is common practice for physicians to set up reciprocal billing arrangements and to do so with more than one physician.

For Medicare purposes, a reciprocal billing arrangement is:
- An agreement between physicians to cover each other’s practice when the regular physician is absent (usually a two-way street)
- An informal arrangement that is not required to be in writing

Services may be submitted under a reciprocal arrangement if all of the following criteria are met:
- The regular physician is unavailable to provide the services;
- The beneficiary has arranged or seeks to receive the services from the regular physician;
- The substitute physician does not provide the services to the beneficiary over a continuous period of longer than 60 days; and
- The regular physician submits the claim with HCPCS modifier Q5 (service furnished by a substitute physician under a reciprocal billing arrangement).

How does reciprocal billing work?
- The regular physician submits the “covered visit service” under his/her NPI, using the appropriate procedure codes and HCPCS modifier Q5
- The regular physician, not the substitute physician, receives any Medicare payment for the service

What is a “covered visit service”?
- Includes services that are normally considered covered physician visits (e.g., office visits), and
- Any other covered items and services furnished by the substitute physician or by others as incident to the physician’s services. (“Incident to” services may be furnished by staff of either physician; please note that supervision requirements apply.)

Tell me more about the 60-day requirement:
- Begins with the first day on which the substitute physician provides covered visit services to Medicare Part B patients of the regular physician.
- Ends with the last day the substitute physician provides services to these patients before the regular physician returns to work.
- Continues even if there are days on which the substitute physician does not provide any services on behalf of the regular physician.
- A new period of covered visit services can begin after the regular physician has returned to work.

Physician Medical Group Claims under Reciprocal Billing Arrangements
- When reciprocal billing arrangements are among physicians in the same medical group where claims are submitted in the name of the group, the group physician who actually performed the service must be identified on the claim.
- Exceptions: there are 2 instances when a medical group would identify the services as substitute physician services submitting HCPCS modifier Q5:
  - When a group member provides services on behalf of another group member who is the designated attending physician for a hospice patient; and
  - When a group member’s substitute physician is not a member of the group.

Reference:
- CMS Medicare Claims Processing Manual (Pub. 100-04), chapter 1, section 30.2.10