

CHAPTER 10
SECTION 2.1

PHYSICIAN REFERRAL AND SUPERVISION

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I. ISSUE

A. In order to be considered for benefits on a fee-for-service basis, the services of the following individual professional providers of care may be provided only if the beneficiary/patient is referred by a physician for the treatment of a medically-diagnosed condition.

B. A physician must also provide continuing and ongoing oversight and supervision of the program or episode of treatment provided by these individual providers:

1. Licensed Registered Nurses.
2. Nurse Anesthetists.
3. Licensed Practical or Vocational Nurse.
4. Audiologist.
5. Speech Therapists (Speech Pathologists).
6. Licensed Registered Physical Therapists.
7. Pastoral Counselors
8. Mental Health Counselors.
9. Licensed Registered Occupational Therapists

II. POLICY

A. A physician must establish a diagnosis which, in order to be considered for benefits, must describe a covered condition. This means the physician must actually see the patient, do an evaluation and arrive at an initial diagnostic impression prior to referring the patient. Any change in the referral diagnosis must be coordinated with the referring physician.

B. Claims documentation.

1. With the first claim submitted for an episode of care starting after February 24, 1988, documentation of the physician's examination, diagnostic impression and referral is required.

2. If the above documentation is not received, applicable controlled development standards apply ([OPM Part Two, Chapter 1, Section V](#)).

C. The referral of the patient by a physician is a quality assurance matter. The overall management of the patient rests with the physician and, in order to assure appropriate case management, coordination must be made with the referring physician on an ongoing basis. Any services provided prior to examination and subsequent referral by a physician are not payable.

D. Physician supervision means the physician provides overall medical management of the case. The referring physician does not have to be physically located on the premises of the provider to whom the referral is made. Communication back to the referring physician is an indication of medical management.

E. Military physicians may refer patients to civilian providers. Because of the mobility of military physicians due to transfers, retirements and discharges, if the original referring physician has relocated, another military physician may assume responsibility for the case upon review of the military treatment facility clinical record, a narrative of the patient's present status and the proposed treatment plan.

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