CHAPTER 1
SECTION 4

REIMBURSEMENT IN TEACHING SETTING

ISSUE DATE: August 26, 1985
AUTHORITY: 32 CFR 199.2; 32 CFR 199.4(c)(3)(xiii); and 32 CFR 199.6(c)

I. APPLICABILITY

This policy is mandatory for reimbursement of services provided by either network or non-network providers. However, alternative network reimbursement methodologies are permitted when approved by TMA and specifically included in the network provider agreement.

II. ISSUE

Special reimbursement procedures used in teaching settings.

III. POLICY

A. Definitions.

1. Approved teaching programs. For purposes of this section, an approved teaching program is a program of graduate medical education which has been duly approved in its respective specialty or subspecialty by the Accreditation Council for Graduate Medical Education of the American Medical Association, by the Committee on Hospitals of the Bureau of Professional Education of the American Osteopathic Association, by the Council on Dental Education of the American Dental Association, or by the Council on Podiatry Education of the American Podiatry Association.

2. Teaching hospital. A teaching hospital is any hospital with physicians in training on its staff.

3. Attending physician. The physician who has the primary responsibility for the medical diagnosis and treatment of the patient. A consultant or an assistant surgeon, for example, would not be an attending physician. Under very extraordinary circumstances, because of the presence of complex, serious, and multiple, but unrelated, medical conditions, a patient may have more than one attending physician concurrently rendering medical treatment during a single period of time. An attending physician also may be a teaching physician.

4. Teaching physician. A teaching physician is any physician whose duties include providing medical training to physicians in training within a hospital or other institutional provider setting.

5. Physician in training. The terms "interns and residents" include physicians participating in approved postgraduate training programs and physicians who are not in approved programs but who are authorized to practice only in a hospital or other institutional provider setting, e.g., individuals with temporary or restricted licenses, or unlicensed graduates of foreign medical schools. There is no change in a senior resident's basic status for reimbursement when the senior resident has a staff or faculty appointment or is designated, for example, a "fellow, assistant attending surgeon, or associate physician". For purposes of this section, residents, interns, fellows, etc., are treated identically and are referred to as physicians in training.

6. Supervision. As required for teaching physicians, supervision of physicians in training means that the teaching physician is not required to be physically present at all times, but must be on the provider's premises and available to provide immediate and personal assistance and direction if needed. "Personal" means in person and not by telephone or other means.

B. Reimbursement of teaching physicians.

1. General. Teaching physicians may be reimbursed on an allowable charge basis only when they provide services as an attending physician or when they provide distinct, identifiable, personal services (e.g., services rendered as a consultant, assistant surgeon, etc.). Attending physician services may include both direct patient care services or direct supervision of care provided by a physician in training. Other services performed by a teaching physician such as administration, research, and teaching cannot be reimbursed separately on an allowable charge basis. Rather, these services are included in the payments made to the hospital or other institutional provider for the inpatient care.

2. Requirements that must be met to be considered the attending physician.

a. In order to be considered an attending physician, a teaching physician must, as demonstrated by performance of the activities listed below, render sufficient personal and identifiable medical services to the beneficiary to exercise full, personal control over the management of the case. The attending physician's services to the patient must be of the same character, in terms of the responsibilities to the patient that are assumed and fulfilled, as the services rendered to other paying patients. In order to be considered an attending physician, the teaching physician must:

(1) Review the patient's history and the record of examinations and tests in the institution, and make frequent reviews of the patient's progress; and

(2) Personally examine the patient; and

(3) Confirm or revise the diagnosis and determine the course of treatment to be followed; and

(4) Either perform the physician's services required by the patient or supervise the treatment so as to assure that appropriate services are provided by physicians in training and that the care meets a proper quality level; and

(5) Be present and ready to perform any service performed by an attending physician in a nonteaching setting when a major surgical procedure or a complex or dangerous medical procedure is performed; and

(6) Be personally responsible for the patient's care, at least throughout the period of hospitalization.

3. Direct supervision by an attending physician of care provided by physicians in training.

a. Payment on the basis of allowable charges may be made for the professional services rendered to a beneficiary by his/her attending physician when the attending physician provides personal and identifiable direction to physicians in training who are participating in the care of the patient. While it is not necessary that the attending physician be personally present for all services, the attending physician must be on the provider's premises and available to provide immediate personal assistance and direction if needed. Accordingly, a physician who merely reviews a patient's progress on a daily basis but is unavailable when a physician in training renders care cannot be considered to be an attending physician. The attending physician would be considered unavailable either because he/she is not on the provider's premises or because his/her activities preclude immediate and personal assistance. On the other hand, in the case of major surgical procedures and other complex and dangerous procedures or situations, such personal direction must include supervision <u>in person</u> by the attending physician.

b. The responsibilities of a supervisory attending physician are demonstrated by such actions as:

(1) Reviewing the patient's history and physical examination; and

(2) Personally examining the patient within a reasonable period after admission; and

(3) Confirming or revising the diagnosis; and

(4) Determining the course of treatment to be followed; and

(5) Assuring that any supervision needed by the physicians in training was furnished; and

(6) Making frequent review of the patient's progress.

4. Individual, personal services. A teaching physician may be reimbursed on an allowable charge basis for any individual, identifiable service rendered to a beneficiary, so long as the service is a covered service and is normally reimbursed separately, and so long as the patient's records contain entries personally made by the physician which substantiate the

service. The contractor is expected as part of its responsibilities to make appropriate checks of patient records, examining admission, progress, and discharge notes to verify that services for which charges are billed meet TRICARE coverage criteria. While this is not expected on every claim, the contractor should do so on a periodic sampling basis so that the contractor becomes familiar with the practices of the providers in its jurisdiction.

5. Documentation required to reimburse teaching physicians on an allowable charge basis.

a. For services as attending physician (for direct patient care or for supervision of physicians in training). As evidence that a covered service was rendered by the teaching physician, the patient's medical record must contain notes and orders which are either written, countersigned, or initialed by the teaching physician. The notes and orders must confirm that the teaching physician met the requirements of paragraph III.B.2. and paragraph III.B.3. above.

b. For individual, personal services. The patient's medical record must contain notes and orders which confirm that the services were rendered by the teaching physician.

6. Who may bill. The services of a teaching physician generally must be billed by the hospital or other institutional provider.

a. The hospital or other institutional provider must bill for teaching physicians' services when the physician is employed by or under contract to the provider or a related entity. If the services are those of an attending physician, as opposed to individual, personal services rendered by the teaching physician, the conditions for qualifying as an attending physician must have been met, and the claim must be signed by an individual (e.g., the department head) authorized by the physician and who is knowledgeable of the physician's responsibilities for being considered an attending physician.

b. Exception. When the teaching physician has no relationship with the hospital or other institutional provider (except for standard physician privileges to admit patients) and generally treats patients on a fee for service basis in the private sector, such teaching physicians may submit claims under his/her own provider number (e.g., employee identification number or social security number). Unless a teaching physician meets this exception, the claim must be submitted by the hospital or other institutional provider. Physicians who are employed by, or have a contract with, the hospital or other institutional provider, or are employed by a related entity (e.g., physicians employed by a medical school which owns, operates or is affiliated with a hospital or other institutional provider) are examples of teaching physicians whose claims must be submitted by the hospital or other institutional provider.

c. Billing services. Teaching physicians who are entitled to bill independently may still contract or arrange with another entity to submit their claims, provided the claims are submitted under the teaching physician's provider number. Such entities include: any association of teaching physicians organized for the purpose of billing for and distributing insurance monies and other payments received for professional services to patients; and medical schools, if the services are performed by an authorized individual provider who is a faculty member of a medical, osteopathic, podiatric, or dental school.

7. When teaching physician services cannot be reimbursed on an allowable charge basis. There are situations in which a patient receives medical services in the teaching setting for which payment on the basis of allowable charges is not applicable. Whether or not a physician makes a charge for services to patients which involve the participation of physicians in training, the hospital or other institutional provider receives reimbursement on inpatient claims for an appropriate share of the compensation it pays its physicians in training and teaching physicians for services in the teaching program which do not constitute services to patients. If the teaching program is an approved program, reimbursement for other costs of educational programs conducted by the hospital or other institutional provider will also be available as a part of the inpatient reimbursement made to the provider. The following examples are common situations for which a teaching physician cannot be reimbursed on an allowable charge basis:

a. The services of a teaching physician while visiting patients during grand rounds are basically teaching and do not contribute to an attending relationship with any of the patients visited.

b. A physician who is assigned to a teaching ward may not be routinely considered as the attending physician for all patients in the ward.

C. Reimbursement of physicians in training.

1. Physicians in training in an approved teaching program, are considered to be "students" and may not be reimbursed directly for services rendered to a beneficiary when their services are provided as part of their employment (either salaried or contractual) by a hospital or other institutional provider. They should not be identified as the attending physician, they are not authorized to execute various certifications, and separate charges for their services should not be billed. Their services are reimbursed to the hospital or other institutional provider through the DRG-based payments or through payments based on billed charges, etc.

2. Services of physicians in training may be reimbursed on an allowable charge basis only if:

a. The physician in training is fully licensed to practice medicine by the state in which the services are performed, and

b. The services are rendered outside the scope and requirements of the approved training program to which the physician in training is assigned.

D. The TRICARE/CHAMPUS national allowable charge system shall be used to reimburse professional services provided by providers in a teaching setting. The zip code of the hospital is to be used to determine the location of the service.

E. Reimbursement of physicians' costs for services provided by hospital-based physicians at Denver General Hospital (DGH) shall be reimbursed using an all encompassing per diem charge. The per diem, for TRICARE purposes, will be the same as that determined under the prescribed Medicare methodology.

1. Reimbursement of the per diems shall be in the form of "pass through" payments at the end of each year only after audit of the Medicare cost report.

2. Prior to payment of physicians' costs, the contractor shall verify the number of days DGH is requesting reimbursement. Denied claims shall not be included in the determination of days.

3. The request for reimbursement of physicians' services shall be submitted to the appropriate contractor on the same work sheet of the Medicare cost report that is submitted to Medicare for reimbursement of hospital-based physicians.

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