

**Texas Tech University Health Sciences Center
Billing Compliance Program Policy and Procedure**

4.2 Teaching Physician Requirements for Evaluation & Management Services Provided under Medicare's Primary Care Exception (PCE) Rule	
Approved: May 5, 2011	Effective Date: May 5, 2011
Latest Revision: June 1, 2015	References: 42 USC §1395u(b)(7)(A); 42 CFR 415.174; IOM 100-04, Chapter 12, Section 100 . AAMC Memorandum #9947 dated 8/6/99

A. PURPOSE

This policy provides guidance about teaching physician presence and documentation requirements for certain evaluation and management (E/M) services provided by residents under the supervision of teaching physicians in primary care clinic as defined under Medicare's Primary Care Exception (PCE) Rule.

B. POLICY

One or more teaching physicians must be physically present, on site at the PCE clinic, when supervising residents and shall meet the other requirements set forth in the Medicare regulations and this policy.

For billing purposes, the resident SHALL NOT document the teaching physician's presence and participation in E/M services, including time-based E/M services.

C. SCOPE

This policy applies to Texas Tech University Health Sciences Center Schools of Medicine physicians who involve residents in the care of their patients, and their billing staff. It applies to **all federal, state and private payers** unless a specific written waiver is obtained from the Institutional Compliance Officer.

This policy only applies to teaching physician supervision of residents in those TTUHSC primary care centers that meet the criteria set forth in this policy and that have been identified, in writing, to our Medicare Contractor, Novitas, as meeting the primary care exception criteria under 42 CFR 415.174.

D. DEFINITIONS

1. "Resident". A resident is an individual who participates in an approved Graduate Medical Education (GME) program, including interns and fellows in GME programs recognized as approved for purposes of direct GME payments made by Medicare. It DOES NOT INCLUDE students in an accredited educational program that is not an approved GME program. It does not include fellows who are not in an approved GME program or

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whose hours are not counted for purposes of GME payment to an affiliated hospital.

2. "Teaching Physician". A physician (other than another resident) who involves residents in the care of his/her patients.
3. "Macro". A macro means a command in a computer or dictation application that automatically generates pre-determined text that is not edited by the user.
4. "Teaching Physician Supervision". Teaching Physician Supervision means that the teaching physician is located in the clinic where residents are seeing patients under the primary care exception rule. The teaching physician is not required to have a face-to-face visit with the patient for those services that can be provided under the supervision of a teaching physician in a PEC clinic as defined below.

E. PROCEDURE

1. Primary Care Exception Clinic Primary Criteria.

- a. Location. Services must be furnished in a center located in an out-patient department of a hospital or another ambulatory care entity in which the time spent by residents in patient care activities is included in determining Medicare payments to a teaching hospital under 42 CFR 413. A non-hospital entity, such as TTUHSC, must meet the requirements of a written agreement between the hospital and the entity set forth in 413.78(e)(3)(ii). Such written agreement may be a separate document or part of an overall agreement such as a Master Coordinating Agreement (MCA).
- b. Range of Services. The range of services provided by residents in a PCE clinic setting include the following:
 - Acute care for undifferentiated problems or chronic care for ongoing conditions;
 - Coordination of care furnished by other physicians and providers; and/or
 - Comprehensive care not limited by organ system, diagnosis, or gender.
- c. Residency Programs. TTUHSC residency programs that would qualify for the PCE include family practice, general internal medicine, geriatric medicine, pediatrics, and obstetrics/gynecology.

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2. Designation as Primary Care Exception Clinic

- a. Responsibilities of Department. The clinical Department shall promptly notify the Billing Compliance Director/Officer ("BCD/O") on their campus in writing whenever a clinic is to be designated as a Primary Care Exception clinic (PCE clinic) or when a PCE clinic is relocated or closed. Such written notice shall include the name of the Department, the name of the PCE clinic along with its address, and in the case of relocation, both the previous and new addresses.
- b. Responsibilities of Billing Compliance Office.
 - 1) In the case of a new PCE clinic, the BCD/O shall prepare a written letter of attestation to the Medicare Contractor, Novitas, to be signed by the Department Chair and sent to the Medicare Contractor with a copy to the Compliance Resource Manager.
 - 2) In the case of relocation or closing of a PCE clinic, the BCD/O shall send written notification to the Medicare Contractor, Novitas, explaining the change in status.
 - 3) Each year the BCD/O shall verify the status of all TTUHSC identified PCE clinics.

3. Resident Requirements

- a. General Rule.
 - 1) Any resident furnishing services in a PCE under the primary care exception rule under the supervision of a Teaching Physician must have completed more than six (6) months of an approved residency program.
 - 2) Not more than four (4) residents may be supervised by one Teaching Physician at any given time.
- b. Limited Exception. If one (1) of the residents supervised by the Teaching Physician has less than six (6) months of training in a residency program, then the Teaching Physician **MUST** be physically present for the key portions of the encounter with the patient. In order to utilize this limited exception, the Teaching Physician's activities with the resident shall not interfere with his/her ability to supervise the other residents. If this limited exception is used, services provided by the resident with less than six (6) months of training shall be billed using the "GC" modifier.

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4. Teaching Physician Requirements

- a. Teaching Physician Presence and Supervision. The Teaching Physician must:
- Be on on-site in the PCE clinic at all times that residents are providing care to patients;
 - Not direct more than four (4) residents at any given time in the PCE clinic;
 - Not have any other responsibilities (including the supervision of other personal, i.e., mid-level providers, medical students, etc.) at the time of the E/M service for which payment is sought. HOWEVER, in those rare instances where a patient scheduled in the PCE to be seen by a resident requires a more comprehensive service that was unexpected, the Teaching Physician may see the patient, but must be physically present with the resident and document according to the general teaching physician rules (See [BC Policy 4.1](#)) and such services must be billed using the “GC” modifier for Medicare patients;
 - Assume management responsibility for those patients seen by the supervised residents;
 - Ensure that the services furnished are appropriate; and
 - Review with each resident, **DURING OR IMMEDIATELY AFTER EACH VISIT**, the patient’s medical history, physical examination, diagnosis, and record of tests and therapies.

b. Teaching Physician Documentation Requirements.

- 1) The Teaching Physician must personally document in the medical record that:
- He/she reviewed patient-specific information from the resident’s history, exam and plan of care, as well as any pertinent labs/tests/records, etc.; and
 - The review occurred with the resident while the patient was in the PCE clinic or immediately after the resident saw the patient.

The Teaching Physician shall timely document his/her participation in the medical record.

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- 2) *Unacceptable Teaching Physician Documentation.* Phrases such as “Discussed and agree with resident’s assessment and plan” are NOT acceptable since it fails to state when the review occurred and what patient-specific information was reviewed with the resident. Example templates, which may be used as macros in the EMR, are included as “Attachment A”.

c. Supervising Teaching Physician Not Approved by all Payers.

Services can only be billed under the Supervising Teaching Physician for services provided by residents to those patients whose insurer/third-party payer have accepted the Supervising Teaching Physician as an approved provider or when the Supervising Teaching Physician is serving in a locum tenens capacity.

5. Billing for Services Provided in a PCE Clinic

- a. Services That Can be Provided by Residents and Billed Under the Supervising Teaching Physician. The following services may be provided by the resident under Teaching Physician Supervision in a PCE clinic and billed under the supervising Teaching Physician’s name and number.

- 1) *Low to Mid-Level E/M.* The following Evaluation & Management (E/M) services may be billed when provided by a resident under the supervision of a teaching physician in a PCE clinic.

- CPT 99201-99203
- CPT 99211-99213
- G0402 - Medicare Initial Preventive Physical Exam (IPPE)
- G0438 – Annual Wellness Visit, including PPS¹, first visit
- G0439 – Annual Wellness Visit, including PPS, subsequent visit.
- Texas Medicaid Well Child Visits

- 2) *Level 4 and 5 E/M Codes and Unscheduled Procedures.* If a more complex problem arises during a service originally scheduled with a resident in a PCE clinic, the supervising Teaching Physician may personally supervise the resident during the critical or key portions of the E/M service or unscheduled procedure. In such case, the Teaching Physician may bill for the more complex level 4 or 5 E/M service (i.e., 99204, 99205, 99214, or 99215) or unscheduled procedure while supervising the other residents, and still have the other supervised resident’s services billed under the primary care

¹ Personal prevention plan services (PPPS)

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exception. The key consideration for allowing this billable activity by the Teaching Physician is the unscheduled nature of the Level 4 or 5 E/M services or procedure. In such cases, the Teaching Physician must document his/her physical presence/participation according the general teaching physician rules, see [BCP 4.1, Teaching Physician Requirements for Evaluation and Management Services, Including Time-Based Codes](#).

- b. Services That Require Teaching Physician Presence to Bill. All other services not listed in 5a above provided by residents in a PCE clinic can only be billed if the Teaching Physician is physically present and not supervising other residents in the PCE clinic.

6. Medicare Required Modifier (Medicare Only)

- a. “GE” Modifier. Use a “GE” modifier when a resident provides services (see 5a above) under the supervision of a Teaching Physician in a qualified PCE clinic.
- b. “GC” Modifier. Only use a “GC” modifier for services provided in a PCE for those services that require the physical presence of the Supervising Teaching Physician (see 5a(2) and 5b above).

F. ADMINISTRATION AND INTERPRETATION, REVISIONS OR TERMINATION

Refer to Billing Compliance Program Policy and Procedure [1.0 Policy Development and Implementation](#)

Failure to comply with this policy shall result in appropriate disciplinary action.

Questions regarding this policy may be addressed to the TTUHSC Institutional Compliance Officer or BCD/O.

This policy shall be reviewed no later than April 1 in each odd-numbered year.

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Attachment "A"

**PRIMARY CARE EXCEPTION CLINIC
ACCEPTABLE DOCUMENTATION TEMPLATES/MACROS**

Refer to [Electronic Medical Record Handbook](#)

EXAMPLE 1

Case discussed with Resident ☐ at time of visit OR ☐ immediately after the Resident saw the patient. Patient presents with a problem of _____.
☐ Agree with resident's diagnosis and plan of care as documented OR
☐ Revised Resident's diagnosis and/or plan of care as documented in the note.

EXAMPLE 2

Patient case reviewed and discussed with Resident at:

- ☐ Time of visit, OR
- ☐ Immediately after the Resident saw the patient.

Given patient's history of: _____, exam and assessment show _____.

- ☐ Agree with plan of care OR
- ☐ Revised Resident's diagnosis and/or plan of care as documented in the note.

In both examples, the Teaching Physician must personally mark (paper record) or select (EMR) one of the boxes to indicate the time of the discussion with the Resident. The Teaching Physician must personally fill in the blanks and mark/select one of the boxes pertaining to agreement with or revision of the Resident's diagnosis and/or plan of care.