

Substitute Physician Billing Arrangements

Updated 09/2022

These practice success resources were written by AOA with the goal of addressing common scenarios that our doctor members seek guidance on. The resources we use to create these are public source documents. We created this specific practice success resource to provide information for offices that may be getting denials with insurance due to the fact that they have contracted with a fee-for-time compensation arrangement physician. A fee-for-time compensation arrangement physician is the substitute for a physician who is absent. Private payer policies may vary significantly. Some health or vision plans might not accept these arrangements at all. ***Any person who falsely certifies any of the criteria required for covered fee-for-time compensation may be subject to possible civil and criminal penalties for fraud***

Fee for Time Compensation Arrangements

What it is:

- ✓ “Fee for Time” is Medicare terminology for payments made to a patient’s regular physician for services performed by a substitute physician.
- ✓ Typical reasons for “Fee for Time” arrangements are illness, pregnancy and vacation.

What it is NOT:

- ✓ These rules do not apply to private payers. Review the requirements of individual payers for these situations.
- ✓ These arrangements are not intended to be used when giving a new doctor a trial period.
- ✓ These arrangements are not in be used for offices that are just overbooked and want to catch up.
- ✓ These arrangements are not intended to be used to “try out” a new doctor.

Considerations for Doctors of Optometry

Medicare allows for payments to be made to a patient’s regular physician for services performed by a substitute physician when a valid fee-for-time compensation arrangement or reciprocal billing arrangement exists. Commercial health and vision plans and state Medicaid programs may have different rules. A physician may retain a substitute physician to take over their professional practice when they are absent for things such as illness, pregnancy, vacation, and continuing medical education. The regular physician bills and receives payment for the substitute physician’s services as though he/she performed them and generally pays the substitute physician on a per diem or other fee-for-time compensation basis.

Fee-For-Time Compensation Arrangements (formerly known as Locum Tenens)

Substitute Physician Billing Arrangements

The regular physician may submit a claim under the fee-for-time compensation arrangement using his/her own NPI and, if assignment is taken, receive payment for covered visit services if the following conditions are met:

- The regular physician is unavailable to provide the visit/services.
- The Medicare patient has arranged or seeks to receive the visit/services from the regular physician.
- Each arrangement with a regular doctor and substitute doctor requires its own agreement.
- The regular physician pays the fee-for-time compensation arrangement physician for his/her services on a per diem or similar fee-for-time basis. AOA recommends doctors not pay based on production, such as by physician work or services.
- The substitute physician does not provide the visit/services to Medicare patients over a continuous period of longer than 60 days.
 - Exception: A physician being called to active duty in the armed services
- The regular physician identifies the services as substitute physician services with HCPCS modifier Q6 (services furnished by a fee-for-time compensation arrangement physician).
 - Exception: If the only services a physician performs are post-operative services furnished during the surgical global period, these services need not be identified on the claim as services furnished by a substitute physician
- Until further notice, the regular physician must keep on file a record of each service along with the substitute physician's NPI.
- 60 days is continuous – not 60 workdays, but 60 straight calendar days whether patient care is provided or not. After 60 calendar days, the regular physician may no longer bill for services performed by the substitute, and the substitute physician should bill for her/his own services. Both the regular physician and the substitute physician may implement a new arrangement in the future with other doctors.
- Typical reasons for Fee for Time are Illness, Pregnancy, Vacation and Continuing medical education
- Cannot be used for offices that are just overbooked and want to catch up
- Cannot be used to “try out” a new doctor
- Cannot be used for yourself if you are changing practices
- Cannot be used for a deceased provider

The substitute physician must bill for the remainder of services after the 60-day limit in his/her own name and billing number or reassign payment to the person or group that bills for the services of the substitute.

Billing and Modifiers

When a service is provided within the 60-day continuous period

- Bill under regular physician's NPI (and group NPI if applicable)
- When a medical group bills, include NPI of regular physician in block 24J on the CMS-1500 claim form or electronic equivalent

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- When all fee for time compensation rules have been met (less than 60 days etc.), include modifier Q6 in item 24d of 1500 claim form
- When modifier Q6 is appended, you are certifying that the covered visit services furnished by the substitute physician are identified in the record of the absent physician, are available for inspection, meet all coverage criteria and are services that the absent group are entitled to submit

In addition to regular physicians using a fee for time compensation arrangement, doctors may also use a reciprocal billing arrangement.

Reciprocal Billing Arrangements

On an occasional reciprocal basis, a patient's regular physician may arrange for a substitute physician to provide visit/services, including emergency visits or related services. A reciprocal arrangement/agreement is an agreement between physicians to cover each other's practice when the regular physician is absent. The regular or absentee physician compensates the covering or substitute physician by reciprocating in the future. Agreements need not be in writing. Physicians may have reciprocal billing arrangements with more than one physician. Under a reciprocal billing arrangement, the patient's regular physician may submit a claim to Medicare Part B using his/her own NPI and, if assignment is accepted, receive payment if the following conditions are met:

- The regular or absentee physician is unavailable to provide the visit/services.
- The Medicare patient has arranged or seeks to receive the visit/services from the regular physician.
- The covering or substitute physician does not provide the visit/services to Medicare patients in the name of the regular physician for longer than a continuous period of 60 days.
- The regular physician identifies the services as substitute physician services by using HCPCS modifier Q5 (services furnished by a substitute physician under a reciprocal billing arrangement).
- The regular physician must keep on file a record of each service provided by the substitute physician along with the substitute physician's NPI.

The substitute physician must bill for the remainder of services for the regular physician after the 60-day limit in his/her own name and billing number or reassign payment to the person or group that bills for the services of the substitute.

Billing

- Bill using the regular physician's NPI
- Include modifier Q5 in item 24D when all criteria has been met
- Q5: Services furnished under a reciprocal billing arrangement by a substitute physician in a Health Professional Shortage Area (HPSA), a Medically Underserved Area (MUA) or a rural area



Substitute Physician Billing Arrangements

Resources: [National Government Services Fee-For-Time Compensation Arrangement and Reciprocal Billing Job Aid](#), [National Government Services Fee-For-Time Compensation Arrangements Questions and Answers](#), [Jurisdiction J/M Medicare Part B Fee-For-Time Compensation \(Formerly Known as Locum Tenens\)](#), [Medicare Claims Processing Manual](#)