

Locum Tenens Staffing and Billing Considerations

Here are rules on hiring temporary associates.

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The practice of one physician filling in for another who is temporarily absent from his or her practice is time-honored in the medical profession. Known as locum tenens (Latin for “to take the place of”), temporary physicians, as a professional courtesy, have traditionally filled in for colleagues who are ill, traveling, or otherwise away from their practices.

It was not until the 1970s that the use of locum tenens physicians expanded from limited, ad hoc assignments arranged by physicians themselves to a more broad-based and systematic component of healthcare staffing. Government grants allotted to make physicians available in medically underserved areas ushered in the modern era of locum tenens staffing, which now is a multibillion-dollar industry.

Today, physician practices, hospitals, and many other healthcare providers use locum tenens physicians for a variety of reasons, while at the same time a growing number of physicians are choosing to work on a locum tenens basis. Staff Care’s 2017 Survey of Temporary Physician Staffing Trends indicates that 94% of hospitals, medical groups, and other providers used locum tenens physicians at least once in the last 12 months. The survey estimates that

about 48,000 physicians worked on a locum tenens basis in 2016, up from about 26,000 in 2002.

According to the survey, the following are the primary reasons why healthcare facilities use locum tenens physicians:

- To fill an empty position until a permanent physician is found;
- To fill in for staff who have left (i.e., turnover);
- To fill in for vacationing, ill, or otherwise temporarily absent physicians;
- To fill in during peak usage times; and
- To meet rising patient demand.

caused by physician turnover and to reduce stress on physicians during peak usage times, which also can lead to turnover.

In addition, vacation time of three to four weeks annually is a standard benefit in the employed physician model, a departure from the traditional independent model, in which physician practice owners were less willing or able to take vacations. This has further contributed to the rising use of locum tenens physicians, who provide coverage for physicians who are on vacation or who are absent due to continuing medical education

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In an era of physician shortages, many physician practices and other healthcare providers find it difficult to fill permanent positions quickly. They use locum tenens physicians to maintain services and revenue until a permanent staff member is recruited. The rise of the employed physician model also has contributed to the growing use of locum tenens physicians. Employed physicians often do not have the same financial or emotional stake in their practices that practice owners do, and therefore can more readily move from one practice to another. This has led to an annual physician turnover rate of 13%, according to the data firm SK&A. Locum tenens physicians can be used both to fill gaps

(CME) requirements or illness.

Although physicians still can contract directly to arrange locum tenens assignments, most locum tenens positions today are filled through temporary staffing companies. These companies identify candidates, pay them a daily rate, arrange and pay for their travel to and from assignments, and pay for their malpractice insurance. In return, physician practices and other providers pay the agency a daily rate that fluctuates based on the specialty of the locum tenens physician. Rates run from approximately \$1,000 for a primary care physician to approximately \$3,500 for a subspecialist such as a pediatric surgeon.

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Cost Comparison

Per diem rates can represent a considerable investment. Physician practices should schedule the use of locum tenens physicians well in advance of when they will be needed, to ensure the most favorable rates. Locum tenens costs also should be planned for within the overall context of staffing costs at the practice. A comparison of the daily cost of employing a family medicine physician on a permanent basis and the cost of a using a locum tenens family physician is instructive.

Assume that for a full-time family physician, the mean salary is \$225,000 per year.¹ Add a benefits package worth \$45,613² and malpractice insurance of \$14,821.³ If you assume a work year of 250 days, the permanent employee's daily rate works out to \$1,140.⁴ The average daily rate of a family physician locum tenens is \$1,350.

This comparison suggests that the daily cost of employing a permanent physician and using a locum tenens physician are relatively similar. However, permanent physicians represent more than a cost. They generate revenue for the practice, which locum tenens physicians do not, unless the practice is able to bill for their services, in which case the use of locum tenens physicians becomes more cost-effective. The process of locum tenens billing is outlined in the following section.

Billing for Short-Term Absences

Locum tenens physicians may be used to fill in for either planned or unplanned absences. A planned absence often entails a short-term staffing gap when a physician is absent due to vacation, CME, or other planned event. When locum tenens physicians are filling in for short-term absences, practices generally bill for their services through what is known as the Healthcare Common Procedure Coding System (HCPCS) Q6 modifier.

Using the Q6 modifier, a patient's regular physician may submit the claim, and (if assignment is accepted) receive the Part B payment for covered visit services, including emergency visits and related services, of a locum tenens physician who is not an

employee of the regular physician and whose services for patients of the regular physician are not restricted to the regular physician's offices.

Services provided by non-physician practitioners (e.g., certified registered nurse anesthetists, nurse practitioners, physician assistants) may not be billed under the locum tenens billing reassignment exceptions. These provisions apply only to physicians. Additionally, the Q6 modifier is not applicable in the

cedure code. The regular physician, not the substitute physician, receives any Medicare payment for the service.

Additional information about the Q6 modifier can be found at the websites for the Railroad Medicare Hub⁵ and CMS.⁶

Billing for Long-Term Absences

Vacancies caused by turnover, the need to fill in while the practice seeks a permanent physician, long-

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event of a physician's death or when a departing physician has terminated benefits with the group.

Requirements

Services may be submitted under a locum tenens arrangement if all of the following criteria are met:

- The regular physician is unavailable to provide the visit services;
- The Medicare beneficiary has arranged or seeks to receive the visit services from the regular physician;
- The regular physician pays the locum tenens for his or her services on a per diem or similar fee-for-time basis; or
- The locum tenens physician does not provide visit services to Medicare patients over a continuous period of longer than 60 days (exceptions made for military deployment).

Although the Q6 modifier is specific to Medicare billing, private payers often have their own similar arrangements. Medicaid generally follows the Medicare model of locum tenens billing; however, policies can vary, so it is important to understand the policy in your state.

How to Bill

The regular physician (physician A) identifies the services as substitute physician services meeting the requirements of this section by entering the Q6 modifier (service furnished by a locum tenens physician) after the pro-

term illnesses, and other events often are longer term and may last for over 60 days. In the case of long-term absences, billing for locum tenens physicians also entails using the Q6 modifier and is subject to the same four requirements listed earlier.

However, when using locum tenens physicians for periods longer than 60 days, it is advisable to incorporate the additional steps, requirements, and time frames discussed in the next section.

Find the Right Candidate

Work with your staffing agency to identify the best candidate(s) for your locum tenens position. It is imperative to understand your payer population and state-specific or payer-specific restrictions when sourcing locum tenens physicians and to communicate your needs clearly. For example:

- Does your state's Medicaid program require that physicians be actively enrolled to allow patients to fill prescriptions under their DEA?
- Do any payers require that the physicians be Board Certified, either generally or for a specific specialty?
- Do any payers require that the physicians be actively registered with the Council for Affordable Quality Healthcare?
- Do you have a significant military population requiring credentialing with Tricare?

Establishing expectations upfront

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will allow the staffing agency to provide you with appropriate choices for coverage and avoid potential denials when submitting claims.

Understand the Complexities of The Payer Credentialing Process

Credentialing physicians with payers often can be an arduous pro-

cess that puts additional strain on your back-office resources. Lean on your agency to assist you with facilitating the completion of payer applications to reduce these burdens. Make it a habit to include the following requirements with your facility's onboarding packet:

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- Provide your agency with copies of the signature pages for each payer for the physician to complete, advising that they will need to be executed in "wet ink." It is recommended that you obtain duplicate copies of each signature page in the event they are needed down the line.

- Request that your agency provide copies of the following support documents required by most payers:

- State medical license (not verification);

- DEA number, which must be registered in the state in which your facility resides;

- Social Security card. If the card states "For Work Authorization Only", one of the following will be required: passport; Permanent Resident card; or work authorization statement.

- Active Government-issued ID;
- Board Certification; and
- Any active provider identifiers for your state and local payers for purposes of re-assignment or linkage.

Once these items are collected you can submit the applications following the same process you would with any of your permanent physicians.

Enrollment Timelines

The following list presents a gen-

Medicare

- New enrollments: up to 90 days; and
- Re-assignments: up to 45 days.
- In most cases Medicare will grant an effective date up to 30 days prior to receipt of the enrollment application.

Medicaid

- The enrollment timeframe is state-specific and could be anywhere from one week to six months.
- Most states will not allow you to submit a Medicaid application until the Medicare enrollment process is complete. Additionally, Medicaid HMO applications cannot be submitted until traditional Medicaid enrollment is complete.
- In most cases Medicaid will grant the same effective date awarded by Medicare. If you receive a later effective date, it is recommended that you appeal the decision with the managing entity.

Commercial

- All requirements are determined by the contract between your group and the payer.
- Enrollment timeframes can be anywhere from 90 to 180 days.
- Commercial payers rarely, if ever, provide a retroactive effective date.

Billing Claims For Locum Tenens

The process of billing a claim for a locum tenens who is enrolled in your group is the same as doing so for a permanent physician. In the event that you have an immediate need for coverage and the locum tenens needs to provide services to patients during the enrollment process, it is recommended that you hold all claims until you have received the provider identifiers. As long as the encounters coincide with the effective date granted by the payer, you will be reimbursed. In addition, con-

sider that the steps outlined above are general guidelines and that nuances may arise depending on practice location and other factors.

Conclusion

A variety of trends, including a pervasive physician shortage and the employed physician model, have driven the growing use of locum tenens physicians in medical practices and other provider settings. Those practices that plan for their locum tenens staffing requirements in advance and are able to bill for the services of locum tenens physicians will receive the most benefit at the least cost. **PM**

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