Reimbursement Policy

Locum Tenens or Reciprocal Billing

REIMBURSEMENT POLICY NUMBER: 15

Effective Date: 1/1/2026

Last Review Date: 12/2025

Next Annual Review: 12/2026

INSTRUCTIONS FOR USE: Company reimbursement policies serve as guidance for the administration of plan benefits. Reimbursement policies do not constitute medical advice nor a guarantee of coverage. Company reimbursement policies are reviewed annually. The Companies reserve the right to determine the application of reimbursement policies and make revisions to reimbursement policies at any time. The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Reimbursement Policy will be resolved in favor of the coverage agreement.

SCOPE AND APPLICATION

Provider Type:

☒ Providence Health Plan Participating Providers

☒ Non-Participating Providers

Plan Product:

☒ Commercial

☒ Medicare

☒ Medicaid/Oregon Health Plan (OHP)

POLICY STATEMENT

NOTE: The Centers for Medicare & Medicaid Services (CMS) no longer uses the term "locum tenens" to refer solely to fee-for-time arrangements. The new official term for this billing arrangement is now "fee-for-time compensation." However, for the purposes of this policy, the terms may be used interchangeably.

SCOPE: Providence Health Plan, Providence Health Assurance, and Providence Plan Partners as applicable (referred to individually as “Company” and collectively as “Companies”).

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

I. The plan allows physicians to retain substitute physicians to take over their professional practices when the regular physicians are absent for reasons such as illness, pregnancy, vacation, called to active duty in Armed Forces, or continuing medical education when the following requirements are met:

A. The regular physician or practitioner is unavailable to provide the services;
B. The patient has arranged or seeks to receive the services from the regular physician or practitioner;
C. The regular physician or practitioner pays the substitute for his/her services on a per diem or similar fee-for-time basis;
D. The substitute physician or practitioner does not provide the services to Medicare patients over a continuous period of longer than 60 days.
    a. An exception is allowed when the regular physician or practitioner is called to active duty in the Armed Forces, at which time the services furnished under a fee-for-time compensation arrangement may be billed for longer than the 60-day limit; and
E. The services are reported using modifier **Q6**.

II. The regular physician may bill and receive payment for the substitute physician's services as though he/she performed them

III. A locum tenens arrangement does not exist if the substitute physician is an employee of the clinic.

A. If a substitute physician is billing as a locum tenens and subsequently becomes employed by the clinic, the clinic may no longer bill for that physician as a locum tenens.
B. If a new physician is hired by a clinic, it is not appropriate to bill under a locum tenens arrangement while that physician completes the credentialing process with Company.

IV. A physician who has left the group and for whom the group has engaged a locum tenens physician as a temporary replacement may bill for the temporary physician for up to 60 days.

V. Charges may **not** be billed under a locum tenens arrangement using the NPI of a provider who is deceased.

VI. A Nurse Practitioner (NP) may cover as locum tenens for another NP, and a Physician Assistant (PA) may cover as locum tenens for another PA. Company allows other licensed providers (such as optometrists, physical therapists) to retain substitute providers to act as locum tenens if the substitute provider has the same type of license as the provider who is retaining the substitute. For additional information, see "Procedure."

Reciprocal Billing Arrangements

VII. Reciprocal billing arrangements are when the patient's regular physician submits a claim for a covered visit which the regular physician arranges to be provided by a substitute physician on an occasional reciprocal basis. The requirements for reciprocal billing arrangements are as follows:

A. The regular physician is unavailable to provide the visit services.
B. The patient has arranged or seeks to receive the visit services from the regular physician.
C. The substitute physician does not provide the visit services over a continuous period of longer than 60 days;
   a. An exception is allowed when the regular physician or practitioner is called to active duty in the Armed Forces, at which time the services furnished under a fee-for-time compensation arrangement may be billed for longer than the 60-day limit; and
D. The services are reported using modifier **Q5**.

POLICY GUIDELINES

GENERAL

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

A locum tenens physician generally has no practice of his/her own. They usually move from area to area as needed. The Medicare Carriers' Manual (MCM) states that the regular physician generally pays the locum tenens physician a fixed amount per day, with the substitute physician having the status of an independent contractor, rather than that of an employee.

The patient's regular physician may submit a claim and receive payment for a covered visit of a locum tenens physician who is not an employee of the regular physician or an employee of the clinic. The claim is billed using the name and NPI of the patient's regular physician. The regular physician must keep a record on file of each service provided by the locum tenens physician, associated with the substitute physician's unique physician identification number (NPI), and make the record available to Company upon request.

Locum Tenens for NP Or PA

An NP may cover as locum tenens for an NP, and a PA may cover as locum tenens for a PA subject to the guidelines on this policy.

Locum Tenens for Other Credentialed Providers

Providers credentialed with Company may retain substitute providers who share the same type of license to cover as locum tenens. For example, a physical therapist may retain another physical therapist to cover as locum tenens. An optometrist may retain another optometrist to cover as locum tenens.

Reciprocal Billing Arrangements

Under a reciprocal billing arrangement, there is no mention of the regular doctor paying the substitute physician. There is no need for an employer/employee relationship to exist. It's an arrangement of "I'll cover for you, and you cover for me" (on an occasional basis). The substitute physician in a reciprocal billing arrangement usually has a practice of his/her own.

CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

As of 11/7/2025, the following Centers for Medicare & Medicaid (CMS) guidance was identified which addresses inpatient hospital readmissions:

- Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements, §30.2.10 – Payment Under Reciprocal Billing Arrangements – Claims Submitted to A/B MACS Part B.
- Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements, §30.2.11 – Payment Under Fee-For-Time Compensation Arrangements (formerly referred to as Locum Tenens Arrangements) – Claims Submitted to A/B MACs Part B..
- Noridian Fee-for-Time Compensation Arrangements and Reciprocal Billing.

From Change Request 10090:

> "The term "locum tenens," which has historically been used in the manual to mean fee-for-time compensation arrangements, is being discontinued because the title of section 16006 of the 21st Century Cures Act uses "locum tenens arrangements" to refer to both fee-for-time compensation arrangements and reciprocal billing arrangements. As a result, continuing to use the term "locum tenens" to refer solely to fee-for-time compensation arrangements is not consistent with the law and could be confusing to the public."

BILLING AND CODING GUIDELINES

GENERAL

Modifiers

Services are reported with an appropriate modifier are used to indicate services were provided under either a reciprocal billing arrangement or a fee-for-time compensation arrangement. Claims are submitted under the regular physician's name and NPI, using the appropriate modifier, to indicate that the service was provided by a substitute physician. No other information is required on the CMS-1500 claim form at this time. However, the regular physician must keep a record on file of each service

provided by the substitute physician, associated with the substitute physician's NPI, and make this record available to Company upon request.

Reciprocal Billing Arrangement

> *Modifier Q5: Service furnished under a **reciprocal billing arrangement** by a substitute physician or by a substitute physical therapist furnishing outpatient physical therapy services in a health professional shortage area, a medically underserved area, or a rural area*

Fee-For-Time Compensation Arrangement

> *Modifier Q6: Service furnished under a **fee-for-time compensation arrangement** by a substitute physician or by a substitute physical therapist furnishing outpatient physical therapy services in a health professional shortage area, a medically underserved area, or a rural area*

Post-Operative Services Within Global Period

Under both billing arrangements, if postoperative services are furnished by the substitute physician, the services are **not** eligible to be billed with either modifier -Q5 or -Q6. This is because reimbursement for surgical procedures is administered as a global surgical package, and it includes all necessary services normally furnished by the surgeon before, during, and after the procedure.[1]

CROSS REFERENCES

None

The full Company portfolio of current Reimbursement Policies is available online and can be accessed here.

REFERENCES

1. Noridian Healthcare Solutions (Noridian). Fee-for-Time Compensation Arrangements and Reciprocal Billing. https://med.noridianmedicare.com/web/jfb/specialties/locum-tenens-and-reciprocal-billing. Accessed 11/7/2025.
2. Centers for Medicare & Medicaid Services (CMS). Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements, §30.2.10 – Payment Under Reciprocal Billing Arrangements – Claims Submitted to A/B MACS Part B. Updated 2017. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf. Accessed 11/7/2025.
3. Centers for Medicare & Medicaid Services (CMS). Medicare Claims Processing Manual, Chapter 1 – General Billing Requirements, §30.2.11 – Payment Under Fee-For-Time Compensation Arrangements (formerly referred to as Locum Tenens Arrangements) – Claims Submitted to A/B MACs Part B. Updated 2017. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c01.pdf. Accessed 11/7/2025.
4. Current Procedureal Terminology (CPT).
5. Providence Health Plan Clinical Coding Edits.

POLICY REVISION HISTORY

Date	Revision Summary
1/2025	New reimbursement policy (previously Coding Policy 70.0, *Locum Tenens or Reciprocal Billing*)
1/2026	Annual review. No changes.