

**BILLING FOR SERVICES PROVIDED BY SUPERVISING PRACTITIONERS AND
PHYSICIAN RESIDENTS**

1. REASON FOR ISSUE: This Veterans Health Administration (VHA) directive establishes policy on the appropriate billing guidance for VHA revenue staff, located at each Consolidated Patient Account Center (CPAC), when billing third party payors for supervising practitioners and resident physicians.

2. SUMMARY OF MAJOR CHANGES: None.

3. RELATED ISSUES: VHA Directive 1400.01, Supervision of Physician, Dental, Optometry, Chiropractic, and Podiatry Residents, dated November 07, 2019; VHA Handbook 1907.01, Health Information Management and Health Records, dated March 19, 2015.

4. RESPONSIBLE OFFICE: The VHA Office of Community Care (13) is responsible for the contents of this Directive. Questions may be addressed to VHA13CommunityCareAction@va.gov.

5. RESCISSIONS: VHA Directive 1401, Billing for Services Provided by Supervising Practitioners and Physician Residents, dated July 29, 2016, is rescinded.

6. RECERTIFICATION: This VHA Directive is scheduled for recertification on or before the last working day of January 2026.

/s/ Mark Upton, MD
Acting Assistant Under Secretary for Health
for Community Care

NOTE: All references herein to VA and VHA documents incorporate by reference subsequent VA and VHA documents on the same or similar subject matter.

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BILLING FOR SERVICES PROVIDED BY SUPERVISING PRACTITIONERS AND PHYSICIAN RESIDENTS

1. PURPOSE

This Veterans Health Administration (VHA) directive provides policy for billing third party payors, TRICARE and Department of Defense (DoD) for services provided by a health care team, which includes supervising practitioners and physician residents or fellows (residents). **NOTE:** *The term resident is used throughout this document. This term includes those residents referred to as interns and fellows.* **AUTHORITY:** 38 U.S.C. §§ 1729, 7301(b).

2. BACKGROUND

a. The Health and Human Services Centers for Medicare and Medicaid Services (CMS) approved the use of a Healthcare Common Procedures Coding System (HCPCS) Level II Current Procedural Terminology (CPT) modifier for use by Department of Veterans Affairs (VA) medical facilities when billing third party payors effective January 1, 2006. This modifier is identified as GR.

b. Since VA medical facilities do not receive either direct or indirect medical education funds from CMS, it has been determined that VA can submit claims for care that is provided by physician residents in a properly supervised environment without regard to CMS Physicians at Teaching Hospitals (PATH) guidelines designed to avoid fraud and overpayments in medical institutions where medical education funds are paid by CMS.

c. The modifiers that apply to physician resident provided care (GC and GE) apply more specifically to care provided under PATH guidelines. At the request of VA, CMS instituted a modifier GR for physician resident provided care. VHA Directive 1400.01, Supervision of Physician, Dental, Optometry, Chiropractic, and Podiatry Residents, dated November 07, 2019, is the primary policy for the documentation of care in teaching settings in VA medical facilities. That directive sets out standards for supervision and documentation of resident-delivered care that is educationally appropriate and ensures the highest standards for quality and safety.

d. This directive and the use of the GR modifier does not change the way care is provided to Veteran patients. As is required by The Joint Commission and Accreditation Council for Graduate Medical Education (ACGME), a licensed independent practitioner (LIP) must still supervise and be responsible for all resident-delivered care.

3. DEFINITIONS

a. **Fellow.** The term fellow is used by some sponsoring educational institutions and in some specialties to designate participants in subspecialty Graduate Medical Education (GME) programs.

b. **Graduate Medical Education Program.** A formal medical education program, usually hospital-sponsored or hospital-based training, pursued after the completion of the M.D. or D.O. degree in order to obtain specialty training. Education includes internship, residency, subspecialty and fellowship programs that leads to state licensure and board certification.

c. **GR Modifier.** The GR modifier is defined as: This service was performed in whole or in part by a physician resident at a VA Medical Center or Clinic, supervised in accordance with VA policy.

d. **Physicians at Teaching Hospitals Guidelines.** PATH guidelines from CMS detail the supervising practitioner requirements for many types of encounters and patient care services for institutions where medical education funds are paid by CMS. PATH guidelines have been written to ensure that supervising practitioners deliver a separate and identifiable service in addition to the resident's patient care services.

e. **Professional Claims.** Professional claims are work performed by physicians, suppliers, and other non-institutional providers for both outpatient and inpatient services.

f. **Resident.** For the purpose of this policy, resident, including interns and fellows, means a physician in training who is engaged in an accredited graduate medical education program (to include all disciplines), under the direction of supervising practitioners.

g. **Supervising Practitioner.** Supervising practitioner (sometimes referred to as attending or faculty) refers to licensed independent physicians, dentists, optometrists, chiropractors, and podiatrists, regardless of the type of VA appointment, who have been credentialed and privileged at a VA medical facility and by the associated training program, in accordance with applicable requirements. In some training settings and according to the requirements of the accrediting body, other health care professionals with documented qualifications and appropriate academic appointments (i.e., nurse practitioners, psychologists, audiologists), may function as supervising practitioners for selected training experiences. ***NOTE: A supervising practitioner must be approved by the program of the residency program in order to supervise residents.***

h. **Third Party Payor.** For the purpose of this document, a third-party payor is an entity that pays medical claims on behalf of the insured beneficiary. This includes government agencies, insurance companies, health maintenance organizations and employers.

4. POLICY

a. It is VHA policy that claims must be submitted to all third-party payors for non-service-connected services provided by physician residents in accredited training programs when clinical documentation shows that the care provided to the Veteran is eligible to be reimbursed by a third party.

b. It is VHA policy then when care is provided in whole or in part by a physician resident, the GR modifier must be attached to each CPT code or encounter with professional charges billed in order to denote care provided by a resident under the direction of a teaching physician.

5. RESPONSIBILITIES

a. **Under Secretary for Health.** The Under Secretary for Health is responsible for ensuring overall VHA compliance with this directive.

b. **Assistant Under Secretary for Health for Community Care.** The Assistant Under Secretary for Health for Community Care is responsible for providing oversight of the implementation of this directive by the Executive Director of the Office of Community Care Revenue Operations.

c. **Assistant Under Secretary for Health for Operations.** The Assistant Under Secretary for Health for Operations is responsible for:

(1) Communicating the contents of this directive to each of the Veterans Integrated Service Networks (VISNs).

(2) Assisting VISN Directors in resolving implementation and compliance challenges.

(3) Providing oversight of VISNs to assure compliance with this directive and applicable regulations.

d. **Executive Director, Office of Community Care, Revenue Operations.** The Executive Director, Office of Community Care, Revenue Operations is responsible for:

(1) Implementing this directive on an enterprise-wide level.

(2) Providing oversight of Consolidated Patient Account Centers (CPACs) to ensure compliance with this directive.

(3) Communicating the contents of this directive to each of the CPACs.

(4) Ensuring there are internal controls in place to ensure regular review of the effectiveness of the implementation of this directive.

e. **Director, Health Information Management.** The Director, Health Information Management (HIM) is responsible for providing guidance and oversight to HIM staff in VISNs and VA medical facilities on the appropriate use and application of the Current Procedural Terminology (CPT) modifiers.

f. **Veterans Integrated Service Network Director.** The VISN Director is responsible for:

(1) Communicating the contents of this directive to all VA medical facilities in the VISN.

(2) Ensuring that all VA medical facilities in the VISN comply with this directive and informing leadership when barriers to compliance are identified.

(3) Ensuring that all VA medical facilities have the resources to implement this directive.

g. **VA Medical Facility Director.** The VA medical facility Director is responsible for overseeing compliance by appropriate VA medical facility staff with this directive.

h. **VA Medical Facility Chief of Health Information Management.** The VA medical facility Chief of HIM is responsible for ensuring all VA medical facility coding staff members review documentation for the supervision requirements outlined in VHA Directive 1400.01, Supervision of Physicians, Dental, Optometry, Chiropractic, and Podiatry Residents, and only append the GR modifier to an appropriate CPT code when supervision criteria as outlined is met.

6. REQUIRED PROCEDURES

a. Clinical encounters to which the GR modifier is attached to the CPT code must be billed to third-party payors using the credentials of the practitioner supervising the resident during the provision of health care services.

b. Third party billing guidelines dictate the GR modifier only applies to professional claims.

7. TRAINING

There are no required or recommended trainings associated with this directive.

8. RECORDS MANAGEMENT

All records regardless of format (paper, electronic, electronic systems) created in the requirements of this directive shall be managed per the National Archives and Records Administration (NARA) approved records schedules found in VHA Records Control Schedule 10-1. Any questions regarding any aspect of records management, should be directed to the VA medical facility Records Manager or Records Liaison.

9. REFERENCES

a. 38 U.S.C. §§ 1729, 7301(b).

b. VHA Directive 1400.01, Supervision of Physicians, Dental, Optometry, Chiropractic, and Podiatry Residents, dated November 07, 2019.

c. VHA Handbook 1907.01, Health Information Management and Health Records, dated March 19, 2015.