

# Hospital Review

**BUSINESS & LEGAL ISSUES FOR HEALTH SYSTEM LEADERSHIP**

## 3 Ways Hospitals Can Improve Locum Tenens Billing

By Bob Herman

Locum tenens physicians play a vital role in the U.S. healthcare system. Locum tenens, according to its Latin origin, describes someone who temporarily fills in for someone else, and hospitals use locum tenens all the time in different scenarios.

However, utilizing locum tenens is not always as efficient as it could be. In particular, billing for locum tenens services can become muddled if the replacement physicians wind up staying at the facility for longer than expected.

Bob Livonius, president of strategic workforce solutions at healthcare workforce management firm AMN Healthcare, and Randy Sparks, vice president of sales for AMN Healthcare's workforce solutions, share three ways hospitals can improve locum tenens billing — and how it directly impacts the hospital's bottom line.

**1. Define why you need locum tenens physicians.** Before the problems of locum tenens billing can be understood fully, it must be explained why hospitals need locum tenens in the first place. Defining the circumstances around need is the first way hospitals can keep their physician billing simplified, Mr. Sparks says.

Generally, hospitals utilize locum tenens to fill in for other physicians who may be out for a while. Common reasons include maternity leave and vacation, and locum tenens will bill under that provider's Medicare national provider identifier.

However, locum tenens may also be used to provide gap coverage in cases where a staff physician quits, retires or leaves the community altogether. In this case, the physician's NPI number leaves with the physician, and hospitals then feel obligated to cover the pa-

tient base until they can recruit new full-time physicians.

Once hospitals define their locum tenens' roles, it makes billing a lot easier to sort out, Mr. Sparks says. Locum tenens in temporary fill-in roles can bill for services through the regular physician's NPI, while those providing gap coverage must be credentialed.

**2. Determine how long locum tenens coverage is needed.** Billing is straightforward for locum tenens who are filling in for those on maternity leave or vacation as long as the coverage is no more than 60 days. However, it's those providing gap coverage or when the use is for longer than 60 days where billing can get complicated, Mr. Sparks says.

Medicare allows the usage of a modifier for locum tenens. Essentially, Medicare gives the hospital 60 days for that gap coverage before it stops reimbursing. Hospitals must ask themselves if they will need temporary coverage for more than 60 days, and if they do, they must have a plan to credential locum tenens so they can bill for professional fees beyond that time frame.

"A lot of hospitals miss out on revenue," Mr. Sparks says. "They engage with locum tenens services and utilize the [Medicare] modifier, but then somebody in compliance or billing months down the road says you missed out on X months of billing for professional fees because you didn't transition the provider from locum tenens to a contracted provider."

**3. Combine locum tenens staffing and billing together.** If hospitals define their locum tenens needs and the amount of coverage that is needed, they are putting themselves in a better position in terms of maximizing locum tenens' revenue, Mr. Livonius says.



However, hospitals can go one step further by combining their locum tenens staffing and billing into one smooth process. This can potentially be achieved by outsourcing both locum tenens staffing and billing to one staffing firm that is familiar with both tasks.

Locum tenens staffing firms that also manage all aspects of billing could retrieve any revenue that normally would have been lost, and it could also give a semblance of consistency among the hospital's medical staff. "By making sure hospitals use locum tenens in a more meaningful way, the benefits are certainly valuable to the retention of the existing physician base," Mr. Livonius says. "Added revenues from locum tenens, where they haven't existed in the past, is an added bonus."

"In the past, when hospitals are forced to weigh options between fiscal responsibility and patient responsibility, something's had to give," Mr. Livonius adds. "Hospitals can achieve a balance now. Locum tenens shouldn't be so expensive that they become a prohibitive factor. It's a game changer for hospitals to have a [locum tenens] staffing and billing capability." ■