chapter and medically directs a single CRNA or AA.

- (2) The rules for medical direction differ for certain time periods depending on the nature of the qualified individual who is directed by the physician. If more than two procedures are directed on or after January 1, 1994, the qualified individuals could be AAs, CRNAs, interns, or residents. The medical direction rules apply to student nurse anesthetists only if the physician directs two concurrent cases, each of which involves a student nurse anesthetist or the physician directs one case involving a student nurse anesthetist and the other involving a CRNA. AA. intern. or resident.
- (3) Payment for medical direction is based on a specific percentage of the payment allowance recognized for the anesthesia service personally performed by a physician alone. The following percentages apply for the years specified:
- (i) CY 1994—60 percent of the payment allowance for personally performed procedures.
- (ii) CY 1995—57.5 percent of the payment allowance for personally performed services.
- (iii) CY 1996—55 percent of the payment allowance for personally performed services.
- (iv) CY 1997—52.5 percent of the payment allowance for personally performed services.
- (v) CY 1998 and thereafter—50 percent of the payment allowance for personally performed services.
- 7. Section 414.60 is revised to read as follows:

# § 414.60 Payment for the services of CRNAs.

- (a) *Basis for payment*. Beginning with CY 1994—
- (1) The allowance for an anesthesia service furnished by a medically directed CRNA is based on a fixed percentage of the allowance recognized for the anesthesia service personally performed by the physician alone, as specified in § 414.46(d)(3); and
- (2) The CF for an anesthesia service furnished by a CRNA not directed by a physician may not exceed the CF for a service personally performed by a physician.
- (b) To whom payment may be made. Payment for an anesthesia service furnished by a CRNA may be made to the CRNA or to any individual or entity (such as a hospital, rural primary care hospital, physician, group practice, or

ambulatory surgical center) with which the CRNA has an employment or contract relationship that provides for payment to be made to the individual or entity.

(c) Condition for payment. Payment for the services of a CRNA may be made only on an assignment related basis, and any assignment accepted by a CRNA is binding on any other person presenting a claim or request for payment for the service.

### Subpart H—[Removed and Reserved]

- 8. Subpart H, consisting of §§ 414.450 through 414.453, is removed and reserved.
- E. A new part 415 is added to read as follows:

## PART 415—SERVICES FURNISHED BY PHYSICIANS IN PROVIDERS, SUPERVISING PHYSICIANS IN TEACHING SETTINGS, AND RESIDENTS IN CERTAIN SETTINGS

## Subpart A—General Provisions

Sec.

415.1 Basis and scope.

## Subpart B—Fiscal Intermediary Payments to Providers for Physician Services

- 415.50 Scope.
- 415.55 General payment rules.
- 415.60 Allocation of physician compensation costs.
- 415.70 Limits on compensation for physician services in providers.

### Subpart C—Part B Carrier Payments for Physician Services to Beneficiaries in Providers

- 415.100 Scope.
- 415.102 Conditions for fee schedule payment for physician services to beneficiaries in providers.
- 415.105 Amounts of payment for physician services to beneficiaries in providers.
- 415.110 Conditions for payment: Anesthesiology services.
- 415.120 Conditions for payment: Radiology services.
- 415.130 Conditions for payment: Physician pathology services.

## Subpart D—Physician Services in Teaching Settings

- 415.150 Scope.
- 415.152 Definitions.
- 415.160 Election of reasonable cost payment for direct medical and surgical services of physicians in teaching hospitals: General provisions.
- 415.162 Determining payment for physician services furnished to beneficiaries in teaching hospitals.
- 415.164 Payment to a fund.
- 415.170 Conditions for payment on a fee schedule basis for physician services in a teaching setting.

- 415.172 Physician fee schedule payment for services of teaching physicians.
- 415.174 Exception: Evaluation and management services furnished in certain centers.
- 415.176 Renal dialysis services.
- 415.178 Anesthesia services.
- 415.180 Teaching setting requirements for the interpretation of diagnostic radiology and other diagnostic tests.
- 415.184 Psychiatric services.
- 415.190 Conditions of payment: Assistants at surgery in teaching hospitals.

### Subpart E—Services of Residents

- 415.200 Services of residents in approved GME programs.
- 415.202 Services of residents not in approved GME programs.
- 415.204 Services of residents in skilled nursing facilities and home health agencies.
- 415.206 Services of residents in nonprovider settings.
- 415.208 Services of moonlighting residents. Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

## **Subpart A—General Provisions**

### § 415.1 Basis and scope.

- (a) Basis. This part is based on the provisions of the following sections of the Act: Section 1848 establishes a fee schedule for payment for physician services. Section 1861(q) specifies what is included in the term "physician services" covered under Medicare. Section 1862(a)(14) sets forth the exclusion of nonphysician services furnished to hospital patients under Part B of Medicare. Section 1886(d)(5)(B) provides for a payment adjustment under the prospective payment system for the operating costs of inpatient hospital services furnished to Medicare beneficiaries in cost reporting periods beginning on or after October 1, 1983, to account for the indirect costs of medical education. Section 1886(h) establishes the methodology for Medicare payment of the cost of direct GME activities.
- (b) *Scope*. This part sets forth rules for fiscal intermediary payments to providers for physician services, Part B carrier payments for physician services to beneficiaries in providers, physician services in teaching settings, and services of residents.

### Subpart B—Fiscal Intermediary Payments to Providers for Physician Services

### §415.50 Scope.

This subpart sets forth rules for payment by fiscal intermediaries to providers for services furnished by