

Payroll Based Journal (PBJ) Reporting for Medical *Directors*: *Requirements, Documentation, and Audit Tools*

Regulatory Requirements

Section 6106 of the Affordable Care Act (ACA) requires facilities to electronically submit direct care staffing information (including agency and contract staff) based on payroll and other auditable data. Payroll Based Journal (PBJ) is the official mechanism CMS uses to collect staffing data for all Medicare/Medicaid-certified nursing homes.

Medical Directors are federally required under [eCFR :: 42 CFR 483.70 -- Administration](#), to implement resident care policies and coordinate medical care. While CMS does not mandate a minimum number of hours, surveyors and auditors evaluate whether Medical Director involvement is sufficient to meet facility needs. Accurate PBJ reporting can be used to demonstrate compliance with these expectations and provide verification of Medical Director involvement.

CMS PBJ Manual Section 2.2(g): Directors and Consultants

As outlined in the PBJ Policy Manual [Electronic Staffing Data Submission - Long-Term Care Facility Version 2.7 June 2025](#), CMS acknowledges that distinguishing Medical Director administrative hours from attending physician hours can be challenging. The PBJ Manual outlines facility requirements:

- Facility data to be auditable and verifiable through payroll, invoices, or contracts.
- Facilities are to use a reasonable methodology to calculate and report hours spent performing Medical Director responsibilities.
- Facilities should convert contracted duties such as QAPI participation or medical record review into the number of hours paid to work when Medical Directors are contracted for a certain fee (e.g., per month).

Reporting & Documentation Requirements

Avoid “Zero” Hours Reporting

CMS requires PBJ submissions to be accurate and complete. Facilities should not report zero hours for Medical Directors if the facility pays for and are provided Medical Director services. Submitting zero hours may be considered noncompliant and subject to enforcement actions. Even if a vendor submits PBJ data on behalf of the facility, the facility remains fully responsible for accuracy.

Maintaining Compliance

Accurate reporting is a key component of regulatory compliance. Failure to report or inaccurate reporting can to enforcement actions.

What Cannot be Reported:

- Estimated or Scheduled Hours
- Attending Physician Hours
- Practitioner visits billed to Medicare or other Payers
- Time not tied to Medical Director responsibilities

Compliance Tips

Accurate Record-Keeping

- Maintain detailed records of all Medical Director activities and the time spent on each.
- Evidence of work performed, such as
 - QAPI/QAA minutes
 - Meeting Agendas
 - Staff Training Signature Logs
 - Policy Drafts/Revision

Regular Audits

- Conduct periodic internal audits of Medical Director hour records.
- Address any discrepancies promptly.
- Review time-tracking processes regularly.

Clearly Defined Roles and Responsibilities

Ensure that the Medical Director's roles and responsibilities are clearly defined in a written and signed agreement. This agreement should outline the expected hours of service and the specific tasks to be performed.

Activities include but are not limited to:

- QAPI/QAA Participation
- Policy & Procedure Review and Development
- Facility Assessment Participation
- Survey Readiness & Support
- Staff Education & Training

Training and Education

Provide ongoing training to staff involved in tracking and reporting Medical Director hours. Ensure they understand the importance of accuracy and compliance. Update training materials as regulations change.

Importance of Data Accuracy

Accurate reporting:

- Demonstrates compliance with federal staffing transparency requirements
- Ensures Medical Director engagement is visible and verifiable
- Protects the facility from allegations of insufficient clinical oversight

Accurate and consistent reporting of Medical Director hours strengthens quality improvement efforts by linking Medical Director involvement to resident outcomes, clinical oversight, and operational performance. Underreporting or not reporting may signal insufficient Medical Director involvement and trigger survey scrutiny, QAA/QAPI concerns, or compliance reviews.