

## Dermatology Coding Alert

### Place of Service: Use New POS Code for "Off-Campus" Dermatology Services

**Look for changes in payment coming soon for off-campus provider-based clinics.**

If your dermatologist is based in an off-campus outpatient clinic, read on: As of Jan. 1, CMS wants you to use a couple of new place of service (POS) codes, and a newly required modifier, in certain situations.

**When?** According to Change Request 9231 to the Medicare Claims Processing Manual, CMS wants you to use these codes, along with the modifier, for professional and facility components of claims for off-campus hospital-based or provider-based clinics.

"This area is in a state of dynamic flux," explains **Duane C. Abbey, Ph.D.**, president of Abbey and Abbey Consultants Inc., in Ames, Iowa. "Congress has passed H.R. 1314, the Bipartisan Budget Act of 2015. Section 603 addresses a reduction in payment for 'new' off campus provider-based clinics," he says.

Check out how these changes will affect your coding, and modifier choices, in 2016.

#### Use New/Revised POS Codes Moving Forward

In 2016, you should be using modifier PO (Services, procedures and/or surgeries provided at off-campus provider-based outpatient departments) when using off-campus provider based outpatient departments.

Although reporting of this new modifier was voluntary in 2015, it's now mandatory. Remember that you cannot report this modifier for remote locations of a hospital, satellite facilities of a hospital, or for services furnished in an emergency department (ED).

As far as the providers are concerned, this CMS decision updates the current POS code set by adding new POS code 19 for "Off Campus Outpatient Hospital" and revising POS code 22 from "Outpatient Hospital" to "On Campus Outpatient Hospital."

The official new POS definitions are as follows:

- POS 19 □ Off-Campus Outpatient Hospital □ A portion of an off-campus hospital provider based department which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.
- POS 22 □ On-Campus Outpatient Hospital □ A portion of a hospital which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.

While POS 19 is new, POS 22 has revised language. Both of these indicators appear to invoke the site-of- service (SOS) differential in Resource Based Relative Value Scale (RBRVS) that will cause the reduction in the physician, professional payment.

Local contractors shall develop policies as needed to adjudicate claims containing new POS code 19 and revised POS code 22 in accordance with Medicare national policy, and treat POS 19 and POS 22 in the same way. What's more, the three-day payment window will also apply to services billed with POS code 19.

#### Understand 'Off-Campus' to Master POS Coding

In order to report modifier PO and POS 19 and 22, you'll need to get a grip on the official definition of "campus."

**The basics:** According to CMS, a campus is "the physical area immediately adjacent to the provider's main buildings, other areas and structures that are not strictly contiguous to the main buildings but are located within 250 yards of the main buildings and any other areas determined on an individual case basis, by the CMS regional office, to be part of the provider's campus" says **Michael Granovsky, MD, FACEP, CPC**, president of LogixHealth, a national coding and billing company based in Bedford, Mass.

As of Jan. 1, you should use the current POS code 22 exclusively for services rendered in outpatient settings on the campus of the main hospital, such as outpatient clinics, Granovsky says.

CMS states that POS code 19 will follow the same payment policies as the current POS code 22, including the three-day rule under which services provided to patients at wholly-owned physician practices that take place within three days of a hospital admission are considered bundled into the payment for the admission, notes Granovsky.