

## Dermatology Coding Alert

### Reader question: Pinpoint POS Codes with This Quick Guide

**Question:** I have heard that MACs are paying close attention to our place of service (POS) codes due to an OIG report showing that incorrect POS has cost the government millions of dollars. My billing personnel have been using only a few codes until now, and would appreciate some easy guidance to help them ensure they're correctly reporting POS – can you help?

Utah Subscriber

**Answer:** You are correct, the OIG did identify that MACs wasted a lot of money (\$33.4 million) for incorrectly coded services that took place between Jan. 2010 and Sept. 2012. However, the good news is the agency didn't necessarily think that doctors made the mistakes to knowingly defraud the government. Apparently, billing personnel's ignorance, data entry errors, and software system problems were the cause of some of the issues.

If you think you might be at risk of making place of service (POS) errors like the OIG found in its recent audit, keep the following list close at hand so you know exactly which codes apply to each location.

- 11 (Office) – Location, other than a hospital, skilled nursing facility (SNF), military treatment facility, community health center, state or local public health clinic, or intermediate care facility (ICF), where the health professional routinely provides health examinations, diagnosis and treatment of illness or injury on an ambulatory basis. Fair market value for the office must be paid for this office to qualify for an office and POS 11.
- 21 (Inpatient hospital) – A facility, other than psychiatric, that primarily provides diagnostic, therapeutic (both surgical and nonsurgical) and rehabilitation services by, or under, the supervision of physicians to patients admitted for a variety of medical conditions.
- 22 (On campus-outpatient hospital) – A portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.
- 23 (Emergency room – hospital) – The portion of a hospital where emergency diagnosis and treatment of illness or injury is provided.
- 24 (Ambulatory surgical centers) – A freestanding facility, other than a physician's office, where surgical and diagnostic services are provided on an ambulatory basis.
- 31 (Skilled nursing facility) – A facility that primarily provides inpatient skilled nursing care and related services to patients who require medical, nursing or rehabilitative services but does not provide the care level or treatment available in a hospital.
- 32 (Nursing facility) – A facility that primarily provides to residents skilled nursing care and related services for the rehabilitation of injured, disabled, or sick persons, or, on a regular basis, health-related care services above the level of custodial care to other than mentally retarded individuals.
- 33 (Custodial care facility) – A facility that provides room, board, and other personal assistance services, generally on a long-term basis, and does not include a medical component.

You can find the complete listing of POS codes at the CMS website:

[https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place\\_of\\_Service\\_Code\\_Set.html](https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place_of_Service_Code_Set.html) .

However, be careful to note which POS codes CMS considers Non-Facility (i.e., Freestanding) versus Facility. POS 20 is for Urgent Care Facilities and POS 15 is for Mobile Units, but both of these classifications are for non-facility circumstances. If you have provider-based mobile units or a provider-based urgent care clinic, then use POS 22 for Hospital Outpatient. Note that the use of POS 22 for On Campus Outpatient and POS 19 for Off-Campus Outpatient is the way CMS has decided to implement their new data gathering for off-campus clinics.

