Dermatology Coding Alert

Reader Questions: Distinguish Facility vs. Non-Facility Fees

Question: Can you please explain whether we should use the facility global fee or the non-facility global fee if we're billing for our surgeon's service for a hospital outpatient?

Texas Subscriber

Answer: When your surgeon provides a service to a patient as a hospital outpatient, you should bill the facility global fee. You should not use the non-facility global fee, in this case.

Here's why: Medicare pays more for visits that take place in a physician's private office because you collect additional dollars to reflect the "cost of doing business" in your own practice. You don't face those costs when practicing in a facility, so the pay is lower.

Reality: If you perform a service in the physician's private office, use place of service (POS) code 11. For a hospital outpatient setting, use POS code 22 instead. The Medicare payer will adjust its fees based on which POS code you bill.