

## Dermatology Coding Alert

### YOU BE THE CODER: Pay Close Attention to Place of Service or Risk Denials

**Question:** I've been getting claim rejections that indicate the only reason for the rejection is the place of service. How can I ensure that I'm choosing the right POS numbers for my claims?

**Answer:**

You need one place-of-service (POS) code for every claim. But if you don't choose the correct code, not only are you potentially losing money, but you're also risking denial of your entire claim.

Choosing the correct POS code is important to every claim and makes a difference in the amount you're reimbursed and whether your claim is paid or denied, says **Annette Grady, CPC, CPC-H, CPC-P, CCS-P**, TCN senior orthopedic coder and compliance auditor and an executive officer of the AAPC National Advisory Board.

**Tip:** You need a separate claim for each POS. This means that if your physician services multiple points of service, you need to create a new claim for each POS.

**Read on:** Steer clear of disaster with our experts' advice on billers' most pressing--and confusing--POS issues.

#### Decide Between Hospital and Office

If your office is part of a hospital, determining which POS code applies may vary "depending on the financial setup between the physician and hospital," Grady says. "CMS does have some other rules for provider-based billing, in which both physician and hospital bill for the E/M code." The hospital bills a facility portion, and the physician bills a professional portion. In the CMS database, many codes are split with a facility value and nonfacility value.

**Helpful:** If your office is on hospital grounds, don't report POS 11 (Office) or POS 22 (Outpatient hospital) until you ask yourself the following question: Is the provider paying fair market rent for the facility? If so, consider the space an office and select POS 11.

If you aren't paying fair market rent, choose POS 22. Reason: When you aren't paying for use of the facility, you shouldn't receive any extra reimbursement for the cost of renting an office. You only earn the higher non-facility fee (called for by POS 11) if you're paying rent and incurring the other costs of running a practice.

**Payment differences:** "POS can change your reimbursement," says **Pamela Biffle, CPC, CCS-P, ACS-DE**, a PMCC instructor and director of operations/senior instructor for CRN Institute in Salt Lake City, Utah. "For example, office versus hospital--the hospital [facility-based] fees will be lower. Also, there are some services that are only reimbursed when performed in certain POS."