Internal Medicine Coding Alert

Reader Question: Nursing Home POS 31 or 32

Question: I am confused about whether to use place of service (POS) code 31 or 32 for billing physician visits to a nursing home. The physician's reimbursement is greater when the POS is 32, so I need to know which is the correct POS to avoid fraudulent billing and receive maximum reimbursement.

The definitions in the Medicare Part B manual seem rather gray. I can interpret Medicare's definitions three ways, and I am uncertain which is correct:

1. It seems that POS 31 could be used when the patient is in the hospital and transfers to a skilled bed, and POS 32 would be used when a patient is in a freestanding nursing home facility.

2. Another interpretation could be that one uses POS 31 when the patient is receiving "skilled bed days" from Medicare in an SNF bed at the hospital or at a freestanding nursing home. POS 32 would be used when the bed days are no longer skilled and the patient is receiving "nursing care" only. This would require that the provider always be cognizant of whether the bed days are skilled.

3. A final interpretation could be that when a facility is certified as skilled by Medicare, all providers should use POS 31, regardless of whether the bed days are skilled or nursing care.

Please help me clarify which is correct.

Pennsylvania Subscriber

Answer: Interpretation #2 comes closest to being correct. This is a confusing area for many coders because Medicare's definitions do not make the distinction between POS 31 and 32 clear. POS 31 and POS 32 have nothing to do with whether a facility is "freestanding" or "attached."

Use POS 31 when the patient is in a skilled nursing facility (SNF), which is a short-term care/rehabilitation facility. Use POS 32 when the patient is in a long-term nursing care facility. Now, here's the tricky part. One facility can provide BOTH types of care. To determine the correct POS for a particular patient, you must know how the nursing facility classifies that patient as SNF or long-term.

Medicare created two different POS codes for nursing facility care for reimbursement reasons. Medicare Part A **covers** nursing facility costs for SNF patients (up to a maximum of 100 days). Medicare Part A **does not cover** nursing facility costs for long-term care patients. Medicare Part B will cover physician visits to both SNF and long-term patients, although more frequent visits are generally permitted to patients in an SNF.

So, yes, coders need to be cognizant of how the facility has classified the patient, and they need to be aware that the classification can change over time. For example, a patient may enter a nursing home for short-term rehabilitation after a stroke, then require long-term care for continuing health problems as a result of the stroke.