

Optometry Coding & Billing Alert

Pay Close Attention to Place-of-Service Denials

Make sure you don't confuse nursing facilities and skilled nursing facilities

Every claim requires a place-of-service (POS) code, but if you don't choose the correct one, you not only risk losing money but also risk 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.

Read on: Steer clear of disaster with our experts- advice on your 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 provider and hospital,- Grady says.

-CMS does have some other rules for provider-based billing, in which both provider and hospital bill for the E/M code,- she says. The hospital bills a facility portion, and the provider bills a professional portion.

This is common in the CMS database, where many codes are split with a facility value and a 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 it. You only earn the higher nonfacility fee (called for by POS 11) if you're paying rent and incurring the other costs of running a practice, according to Grady.

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.

-For example, office versus hospital -- the hospital fees will be lower. Also, there are some services that are only reimbursed when performed in certain POS,- Biffle says.

Know the Difference Between Nursing Facilities

If you are billing Part B for services you provide to patients in nursing facilities, there's a lot of room for error when you have to decide among POS 31 (Skilled nursing facility), 32 (Nursing facility), and 33 (Custodial care facility).

Best bet: Check with the facility you're billing for. -The facilities should be able to provide you with their classifications,- Biffle says. -It doesn't really matter what they do if they are not classified for that level of service. Some facilities have different units with the different designations.-

A facility can have both skilled nursing and non-skilled nursing beds simultaneously.

- **31:** You should use skilled nursing facility code 31 when your provider tests a patient who is in a skilled bed at the time of service. This means the patient has a medical condition that requires skilled nursing care, such as injections or ventilation. The facility -must be licensed as an SNF,- says **Lisa Scott, CPC-OS**, president of Elcyes Consulting in Myrtle Beach, S.C.

Important: If an SNF resident is still covered under Part A, the services you provide are subject to consolidated billing. This means Medicare pays the SNF for all of the services it provides and you have to contract with the SNF to get paid. You can't bill Medicare directly for the service you provided. You must bill the SNF.

Once the patient exhausts his Part A benefits (having been at the SNF for more than 100 days following the hospital visit) or if he fails to meet CMS- Part A level-of- care requirements, the patient is in a Part B stay and services aren't subject to consolidated billing. You should be able to bill Medicare directly, as long as you have a provider medical referral.

Note: If a nursing facility brings a patient to your office, you should report POS code 11 (Office) on the claim form.

- **32:** You should choose nursing facility POS code 32 if the patient is not on Part A Medicare but instead is on long-term care and receiving medical, nursing or rehabilitative services.

Because determining what type of bed the patient has can be difficult, you need to maintain close communication with the administrative or billing office in the nursing facility to determine whether the patient is in a skilled bed when a provider sees a patient there.

- **33:** You would report POS code 33 for a custodial care facility -- a facility providing patients with personal assistance services (such as dispensing medications) on a long-term basis but which does not provide medical care. Patients are mobile in a custodial care facility, so be sure there is medical necessity for you to see a patient at the facility and not in your office.