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Part B Insider (Multispecialty) Coding Alert

Billing: You Might Report POS 22 More Often Starting in October

Focus on face-to-face service when choosing your code.

CMS has announced a new place of service (POS) rule that every practice needs to know.

The new rule is that the POS code you report for your physician should reflect the "setting in which the beneficiary received the face-to-face service," according to Transmittal 2435. CMS has created exceptions to the rule, however, so be sure to read the rule in full and pay attention to each element.

Important dates: The effective date is October 1, 2012--this is a delay from the previous implementation date of April 1.

Under CMS's announced rule, providers performing the PC [professional component] of interpretation of tests must use the POS where the face-to-face service -- test -- was performed, i.e. outpatient facility, ASC [ambulatory surgical center], etc.

In case you have any question about whether the rule applies to diagnostic imaging, CMS clearly states in MLN Matters article 7631 that if the patient has an imaging exam at one site and the physician interprets the exam at his office, the POS should reflect where the patient had the exam. You should not base your POS code on where the physician provided the interpretation.

For physician claims, you must decide whether to report office POS 11 for where the physician provided the service or POS 22 for the outpatient hospital where the patient had the exam. Under the new rule, you should report POS 22 because that's where the patient had the outpatient exam.

Caution: Although you designate the outpatient hospital as the place of service, you should report the office's ZIP code in Item 32 of the CMS 1500 (or electronic equivalent), states Transmittal 2407, CR 7631. Using the appropriate ZIP is important both for compliance with CMS instructions and for ensuring payment based on the physician's location.

An Inpatient Is Always an Inpatient for POS

The MLN Matters article indicates two exceptions to the rule that the face-to-face service location decides the POS.

Inpatient: If the patient is an inpatient of a hospital, then the POS will be the inpatient hospital POS 21 regardless of where the face-to-face visit occurs.

Outpatient: If the physician provides services to a hospital outpatient, "including in a provider-based department of that hospital," then the POS should be outpatient hospital POS 22, the MLN article states.

Pay Particular Attention to ASCs

Incorrect POS reporting for services performed in ASCs was one of the main motivators behind CMS providing these new and revised instructions. The ASC POS code is 24, and you should apply it when the face-to-face service occurs at an ASC.

To clarify, if the physician has a separately maintained office space at the same physical location as the ASC, and it meets "distinct entity" requirements, then report office POS 11 for services performed in that office. But if the service occurs in the ASC, then you should report POS 24.

Keep Your Practice in the Clear

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One of the main reasons CMS is so concerned about proper POS coding is that the agency doesn't want to overpay providers (non-facility rates are higher than facility rates in the fee schedule because a physician in a facility doesn't bear the same overhead costs as one performing services in his own space). As a coder, not only do you need to be sure you're reporting the proper POS for accurate reimbursement, you also need to be sure you append modifier 26 (Professional component) when you are reporting only the professional component of a code split into professional and technical components.

Resources: You may review Transmittal 2435 and its accompanying MLN Matters article at the following addresses:
www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads//R2435CP.pdf.
www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7631.pdf.

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