Part B Insider (Multispecialty) Coding Alert

Medicare's 'Three-Day Payment Window'--Do You Know What It Means?

One of the least publicized changes in the 2012 Medicare Physician Fee Schedule could be one of the costliest if it applies to you. That's the word from **Marc Hartstein**, deputy director of the Hospital and Ambulatory Policy Group at CMS, who spoke about the "three-day payment window" during the CPT® 2012 Annual Symposium in Chicago on Nov. 16.

What it means: If a Medicare patient has services furnished in a facility wholly owned or operated by a hospital and then gets admitted to that hospital within three days, those prior services are bundled into the patient's hospital stay. This rule has been in place since June 2010--however, CMS tweaked the rule effective July 1, 2012, and now it may impact you more.

Here's why: If you're in a physician practice that's owned or operated by a hospital and you treat a patient who is subsequently admitted to the hospital within the next three days, you will collect for your service at the facility rate and not at the outpatient rate. This applies to you even if your practice is not located at the same site as the hospital. As long as it's wholly owned and operated by the hospital, the three-day payment window rule will apply.

Modifier regs: If your practice is owned and operated by a hospital and you treat a patient for a related problem within three days of her hospital admission, you'll append modifier PD to your claim to let the MAC know that your service is subject to the three-day payment rule, Hartstein said.