

Outpatient Facility Coding Alert

Coding Update: Submit Your Claims With the Correct Place of Service

Get more specific with "on" and "off campus" codes to pinpoint the place of service.

Recent years have shown an increasing trend in hospitals acquiring physician offices. As a result, providers and coders need to better understand whether they're providing treatments as off-campus services or through provider-based hospital outpatient departments (HOPDs).

Help is on the way: CMS is helping delineate "on campus" from "off campus" for provider-based hospital departments, thanks to two place of service (POS) code changes. In August 2015, CMS introduced new POS code 19 and revised the descriptor of POS code 22.

The new and revised codes became effective in January 2016. The following table shows the full descriptors for both codes from the POS Codes for Professional Claims Database.



Pay Attention to Special Points

Information on the POS changes was published in CMS Transmittal 3315, "New and Revised Place of Service (POS) Codes for Outpatient Hospitals," also referred to as Change Request 9231. Keep the following points in mind when implementing the changes in your practice, as explained in the transmittal.

- CMS defines "campus" as "the physical area immediately adjacent to the provider's main building, other areas, and structures that are not strictly contiguous to the main buildings but are located within 250 yards of the main buildings, and any other areas determined on an individual case basis by the CMS regional office to be part of the provider's campus."
- The payment policies that were in effect for the old version of POS 22 still apply to both POS 19 and POS 22, unless CMS states otherwise. For instance, as the transmittal states, Medicare will pay for covered services at either POS at the facility rate under the Medicare physician fee schedule.
- Be sure you understand how to handle cases that result in an inpatient admission. According to the transmittal, "In a wholly owned or wholly operated physician practice, payments for services provided to outpatients, who are later admitted as inpatients within three days (or, in the case of non-IPPS hospitals, one day) are bundled. For those services that have a technical component (TC) and a professional component (PC) split in the PFS, Medicare will continue to pay the facility rate for the PC when provided within the three-day (or one-day) window."
- Expect Medicare to pay you the facility rate when your provider renders services in an off-campus/outpatient hospital setting. The same applies to services payable by Medicare that are provided in an on-campus/outpatient setting, and to services with only a professional fee instead of a PC/TC (Professional component/Technical component) split.
- Reporting either POS 19 or 22 will lead to a reduction in your physician's pay because of the site-of-service (SOS) differential.

Be Aware of Other POS Shifts

Although Transmittal 3315 mainly focuses on POS 19 and 22, it also addresses minor updates to POS 17 (Walk-in retail health clinic) and 26 (Military treatment facility).

"Both of these POS codes were mistakenly removed from their sections in IOM Pub. 100-004," explains **Sarah L. Goodman, MBA, CHCF, CPC-H, CCP, FCS**, president of SLG, Inc., Consulting. "Now they've been added back to the correct chapters and sections."