Outpatient Facility Coding Alert

Radiology Billing: Coding for Multiple Locations? Clue in to the Latest on Proper Place of Service Assignments

Latest Medicare info directs you to focus on where the beneficiary was at time of service.

Selecting the correct place of service for radiology interpretation and report has always been a tricky prospect for some coders, especially if you report services for the physician in his office and other locations. Now you can get every claim right the first time, thanks to recent CMS guidance.

Lowdown: According to MLN Matters MM7631, the POS (place of service) code you put on the claim needs to reflect the "setting in which the beneficiary received the face-to-face service." Several exceptions to the rule exist, however, so familiarize yourself with each element to ensure you skip denials.

Check Face-to-Face for Correct POS

The general rule is that you should choose the POS code based on where the patient had the face-to-face service. Based on this position, if you're reporting a test performed on an outpatient at the hospital, but your physician provides a full interpretation and report of the test at his office, you would choose the POS code for outpatient hospital (POS 22).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 -- as performed, i.e. outpatient facility, ASC [ambulatory surgical center], etc.," says Catherine Brink, BS, CMM, CPC, CMSCS, president of NJ-based Healthcare Resource Management.

In case you have any question about whether the rule applies to diagnostic imaging, the MLN Matters articles clearly state 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.

Example: The article provides a sample scenario in which a patient has an MRI at an outpatient hospital. The physician interprets the exam at his office.

For the physician claim, 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.

Remember: 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), the Transmittal states. Using the appropriate ZIP is important both for compliance with CMS instructions and for ensuring payment based on the physician's location.

Bonus tip: Experts recommend using the date of service of the diagnostic procedure as the date of service on the physician's professional component claim (rather than using the date the physician read the study). As always, if your payer provides a written policy, you should follow that guidance for that payer.

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.

How it works: 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.

Ensure your practice's providers and billers understand this new POS change so your practice will report the appropriate POS on the CMS claim form, Brink advises. Additionally, other contractual payers may follow CMS's footsteps and adopt this POS change, so be on the watch, she says.

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 and www.cms.hhs.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7631.pdf.