

## Pain Management Coding Alert

### Reimbursement: Don't Miss These Changes to POS Codes in 2016

#### An addition and revision will affect your outpatient claims.

If your providers offer services in clinics that are either provider-based or off-campus hospital-based, take note: some place of service (POS) changes are coming in 2016. Effective Jan. 1, you'll need to report some new and revised POS modifiers on your claims.

"This area is in a state of dynamic flux," explains **Duane C. Abbey, PhD**, president of Abbey and Abbey Consultants Inc., in Ames, Iowa. "Congress has passed H.R. 1314, the Bipartisan Budget Act of 2015. Section 603 addresses a reduction in payment for 'new' off campus provider-based clinics. The inclusion of this new provision comes as a surprise to the hospital community."

**Refresher:** The PO modifier stands for "Services, procedures and/or surgeries furnished at off-campus provider based outpatient departments" ("Serv/proc off-campus pbd," in short). You'll use the "PO" HCPCS modifier with every code for outpatient hospital services furnished in an off-campus PBD of a hospital. Although reporting of this new modifier is voluntary in the current year (CY 2015), its reporting will become mandatory beginning Jan. 1, 2016. Remember that you cannot report this modifier for remote locations of a hospital, satellite facilities of a hospital, or for services furnished in an emergency department.

**POS 19, 22:** As far as the providers are concerned, this updates the current POS code set by adding new POS code 19 for "Off Campus Outpatient Hospital" and revising POS code 22 from "Outpatient Hospital" to "On Campus Outpatient Hospital." The latest descriptors are as follows:

- POS 19 ☐ Off-Campus Outpatient Hospital ☐ A portion of an off-campus hospital provider based department which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization
- POS 22 ☐ On-Campus Outpatient Hospital ☐ A portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.

While POS 19 is new, POS 22 has revised language. It appears that both of these indicators will invoke the site-of-service (SOS) differential in RBRVS (Resource Based Relative Value Scale) that will cause the reduction in the physician, professional payment. Local contractors shall develop policies as needed to adjudicate claims containing new POS code 19 and revised POS code 22 in accordance with Medicare national policy, and treat POS 19 and POS 22 in the same way. What's more, the three-day payment window will also apply to services billed with POS code 19.

#### CMS Wants to Gather Provider-Based Clinic Data

There's more news to share. CMS also has decided to start collecting data relative to these clinics and, probably, other off-campus provider-based operations.

"Hospitals also have provider-based clinics on-campus and even sometimes inside the hospital itself," says Abbey. CMS appears interested in establishing whether or not such provider-based operations are costlier than their freestanding counterparts.

**Here's why:** The Office of the Inspector General (OIG) has long maintained that provider-based clinics and freestanding clinics should be paid the same. The Medicare Payment Advisory Commission (MedPAC) has also indicated that payment should be the same for evaluation and management (E/M) codes.



"CMS is starting to collect data on provider-based clinics ostensibly from pressure applied by the OIG and MedPAC," explains Abbey.

For further information, go to

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3315CP.pdf>.