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Using Place of Service Codes Correctly

**AAPC Chesapeake Chapter
October 20, 2012**

INNOVATION IN ACTION

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- ▶ Education specific to providers in Medicare Administrative Contractor (MAC) Jurisdiction 12 include: Delaware, District of Columbia, Maryland, New Jersey, and Pennsylvania
- ▶ This education contains specific contractor guidance
- ▶ If you are not a provider in Jurisdiction 12, please contact your Medicare contractor for specific guidance

Agenda

- ▶ Comprehensive Error Rate Testing (CERT) Program
- ▶ Place of Service Codes Definition
- ▶ Common Place of Service Codes
- ▶ Resources
- ▶ Self Service Options

Objectives

- ▶ Ensure proper place of service code selection
- ▶ Support rationale and detailed information on place of service (POS) codes
- ▶ Understand the list and definition of common POS codes



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Comprehensive Error Rate Testing (CERT) Program



Comprehensive Error Rate Testing (CERT)

- ▶ National Claim Paid Error Rate:
 - 9.2 % Physician/Lab /Ambulance
- ▶ Impacts all providers submitting Fee for Service claims
- ▶ Limited random claim sample
- ▶ Record requests must be received within 30 days from the initial CERT letter
- ▶ Right to Appeal? Yes

Common Errors

▶ Insufficient documentation:

- Missing documentation requirements to support the need for a service based on a related Local Coverage Determination (LCD) specifically Chiropractic Services, Physical and Occupational Therapy services;
- Medical Record Documentation and/or physician signature was missing or was not legible;
- Medical record was missing the operative report to support the medical necessity and intent for the procedure requiring pathology services;
- Medical record lacked sufficient documentation to support the medical necessity of the procedure/service performed;
- Medical record did not contain a valid physician's order, documented order intent or clinical indication for the service;
- No documentation of the physical therapy certified plan of care;
- Documentation that did not support the Internal Classification of Disease (ICD-9) Code billed; and
- Documentation that did not adequately describe the service defined by the reported Current Procedural Terminology (CPT) code or Healthcare Common Procedure Coding System (HCPCS) code.

▶ Medical necessity errors:

- Medical record documentation did not support the medical necessity for an annual Pap smear for a beneficiary that was not at a high risk for cervical cancer;
- Medical record documentation did not support the medical necessity for an Electrocardiography (ECG) to be performed;
- Medical record lacked sufficient documentation to support the medical necessity of the procedure/service performed; and
- Related services that were required as a result of the primary service were denied because the medical necessity of the primary service was not justified, e.g. venipuncture.

▶ Incorrect coding errors:

- Documentation did not substantiate the level of care billed based on one or more of the key components (history, exam, medical decision making);
- Requirements for critical care, discharge day management, ambulance and infusion services, Electroencephalograms (EEGs), dialysis services and Mohs Micrographic surgeries were not met.

Comprehensive Error Rate Testing (CERT) Center

- ▶ Medical Record Requests
- ▶ Common Errors
- ▶ Articles and Frequently Asked Questions
- ▶ References and Contact Information
- ▶ <https://www.novitas-solutions.com/cert/index.html>



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Place of Service (POS) Codes



Place of Service (POS) Codes

- ▶ Place of Service Codes are two-digit codes placed on health care professional claims to indicate the setting in which a service was provided.
- ▶ Medicare must use POS codes from the National POS code set for processing electronically submitted claims.
- ▶ Medicare must also recognize as valid POS codes from the POS code set when these codes appear on a claim.

Place of Service (POS) Codes

- ▶ Medicare accepts POS codes from the national POS code set.
- ▶ Where there is no national policy for a given POS code, local contractors may work with their medical directors to develop local policy regarding the services payable in a given setting.

Place of Service Code Payment

- ▶ Local contractors pay for the services at either the facility or the non-facility rate.
- ▶ When developing policy, contractors must ensure they continue to pay appropriate rates for services rendered in the new setting.

Change Request (CR) 7631

- ▶ Change Request (CR) 7631, “Revised and Clarified Place of Service (POS) Coding Instruction”
- ▶ Effective Date: October 1, 2012
- ▶ Implementation Date: October 1, 2012
- ▶ CR 7631:
- ▶ <http://www.cms.gov/transmittals/downloads/R2407CP.pdf>
- ▶ Medlearn Matters MLN MM7631:
- ▶ <https://www.cms.gov/MLN MattersArticles/downloads/MM7631.pdf>

Place of Service (POS) Code

- ▶ In general, the POS code reflects the actual place where the beneficiary receives the face-to-face service and determines whether the facility or non-facility payment rate is paid.
- ▶ However, for a service rendered to a patient who is an inpatient of a hospital (POS code 21) or an outpatient of a hospital (POS code 22), the facility rate is paid, regardless of where the face-to-face encounter with the beneficiary occurred.
- ▶ For the professional component (PC) of diagnostic tests, the facility and non-facility payment rates are the same – irrespective of the POS code on the claim.

Place of Service (POS) Codes

- ▶ In cases where face-to-face requirement is obviated, such as a physician/practitioner professional component (PC)/interpretation of a diagnostic test from a distant site
- ▶ POS code assigned by the physician /practitioner is the setting in which the beneficiary received the technical component (TC) service.
 - Example: Beneficiary receives an MRI at an outpatient hospital near his/her home. The hospital submits a claim that would correspond to the TC portion of the MRI. The physician furnishes the PC portion of the beneficiary's MRI from his/her office location
 - Physician's claim billed with POS code 22 for the PC to indicate that the beneficiary received the face-to-face portion of the MRI, the TC, at the outpatient hospital.

Place of Service (POS) Code Exceptions

- ▶ There are two exceptions to this face-to-face provision/rule
- ▶ The correct POS code assignment is for that setting in which the beneficiary is receiving inpatient or outpatient care from a hospital, including the inpatient hospital (POS code 21) or the outpatient hospital (POS code 22).
- ▶ Publication 100-04, Medicare Claims Processing Manual, Chapter 26, already requires this for physician services (and for certain independent laboratory services) provided to beneficiaries in the inpatient hospital

Medicare learning Network (MLN) Matters Special Edition Article SE1226

- ▶ SE1226: Reminder of Importance of Correct Place of Service Coding on Medicare Part B Claims
- ▶ Medlearn Matters MLN SE1226
- ▶ <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE1226.pdf>

Medicare learning Network (MLN) Matters Special Edition Article SE1226

- ▶ Physicians are required to identify the place-of-service on the health insurance claim forms that they submit to Medicare contractors. The correct place-of- service code ensures that Medicare does not incorrectly reimburse the physician for the overhead portion of the payment if the service was performed in a facility setting.
- ▶ Overview of place of service coding
[https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place of Service Code Set.html](https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place_of_Service_Code_Set.html)



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Common POS Code Review



Not an All inclusive List

Place of Service (POS) 11

- ▶ Office location, other than a hospital, skilled nursing facility (SNF), military treatment facility, community health center, State or local public health clinic, or intermediate care facility (ICF)
- ▶ Health professional routinely provides health examinations, diagnosis, and treatment of illness or injury on an ambulatory basis.
- ▶ Payment rate non-facility

Place of Service (POS) 12

- ▶ Location other than a hospital or other facility,
- ▶ Patient receives care in a private residence.

Place of Service (POS) 13

- ▶ Assisted Living Facility
- ▶ Congregate residential facility with self-contained living units,
- ▶ Provide assessment of each resident's needs and on-site support 24 hours a day, 7 days a week, and
- ▶ Capacity to deliver or arrange for services including some health care and other services

Place of Service (POS) 20

- ▶ Urgent care facility
- ▶ Distinct from hospital emergency room, office, or clinic
- ▶ Ambulatory patients seeking immediate attention

Place of Service (POS) 21

- ▶ Inpatient Hospital
- ▶ Facility, other than psychiatric, which primarily provides diagnostic,
- ▶ Therapeutic and rehabilitation services
- ▶ Supervision of physicians to patients admitted for a variety of medical conditions.
- ▶ If patient is an inpatient of a hospital, POS 21 is used irrespective of the setting where the patient actually received the face-to-face encounter

Place of Service (POS) 22

- ▶ Outpatient Hospital
- ▶ A portion of a hospital which provides diagnostic, therapeutic , and rehabilitation services
- ▶ Sick or injured persons who do not require hospitalization or institutionalization
- ▶ Physicians/practitioners who furnish services to a hospital outpatient, including in a hospital outpatient department (including in a provider-based department of that hospital) or under arrangement to a hospital use POS code 22
- ▶ If the physician/practitioner maintains separate office space in the hospital on the hospital campus and that physician office space is not considered a provider based department of the hospital, then POS 11 would be used.

Place of Service (POS) 23

- ▶ Emergency Room-Hospital
- ▶ Portion of a hospital where emergency diagnosis and treatment of illness or injury is provided.

Place of Service (POS) 24

- ▶ Ambulatory Surgical Center.
- ▶ A freestanding facility, other than a physician's office, where surgical and diagnostic services are provided on an ambulatory basis.
- ▶ Physicians/practitioners are not to use POS code 11 (office) for ASC based services unless the physician has an office at the same physical location of the ASC, which meets all other requirements for operating as a physician office at the same physical location as the ASC,
- ▶ Meeting the “distinct entity” criteria defined in the ASC State Operations Manual that precludes the ASC and an adjacent physician office from being open at the same time, and the physician service was actually performed in the office suite portion of the facility.

Place of Service (POS) 31

- ▶ Skilled Nursing Facility
- ▶ A facility which primarily provides inpatient skilled nursing care and related services to patients who require medical, nursing, or rehabilitative services but does not provide the level of care or treatment available in a hospital.

Place of Service (POS) 32

- ▶ Nursing Facility
- ▶ A facility which primarily provides to residents skilled nursing care and related services for the rehabilitation of injured, disabled, or sick persons,
- ▶ Provides health-related care services above the level of custodial care to other than mentally retarded individuals.

Place of Service (POS) 33

- ▶ Custodial Care Facility
- ▶ A facility which provides room, board and other personal assistance services, generally on a long term basis, and which does not include a medical component.

Place of Service (POS) 34

- ▶ Hospice
- ▶ A facility, other than a patient's home, in which palliative and supportive care for terminally ill patients and their families are provided.

Place of Service (POS) 41

- ▶ Ambulance - land
- ▶ A land vehicle specifically designed, equipped and staffed for lifesaving and transporting the sick or injured.

Place of Service (POS) 42

- ▶ Ambulance—Air or Water
- ▶ An air or water vehicle specifically designed, equipped and staffed for lifesaving and transporting the sick or injured.

Place of Service (POS) 81

- ▶ Independent Laboratory
- ▶ A laboratory certified to perform diagnostic and/or clinical tests independent of an institution or a physician's office.

Claim Lacking Place of Service (POS)

- ▶ Claim will be returned as unprocessable to the provider if it lacks valid place of service (POS) code in item 24b, or contains an invalid POS in item 24b
- ▶ Remittance Advise remark code M77 will be used.

Place of Service and Procedure

- ▶ Place of service must be valid and compatible with the procedure billed
- ▶ If not, claim will be returned as unprocessable

Place of Service (POS) Invalid

- ▶ If place of service is invalid, must support validity of the place of service coding.
- ▶ If place of service code not valid, claim will be returned as unprocessable

Resources

- ▶ Publication 100-04, Chapter 26, "Completing and Processing Form CMS-1500 Data Set"
 - ▶ <http://www.cms.gov/manuals/downloads/clm104c26.pdf>
- ▶ Publication 100-04, Chapter 12 , "Medicare Claims Processing Manual"
 - ▶ <https://www.cms.gov/manuals/downloads/clm104c12.pdf>
- ▶ Change request (CR) 7631
 - ▶ <http://www.cms.gov/transmittals/downloads/R2407CP.pdf>
- ▶ Medlearn Matters Article MLN MM7631:
 - ▶ <https://www.cms.gov/MLN MattersArticles/downloads/MM7631.pdf>
- ▶ Medlearn Matters Article SE 1226
 - ▶ <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLN MattersArticles/Downloads/SE1226.pdf>

In Summary

- ▶ Discussed the definition of place of service (POS) codes
 - ▶ Reviewed the most common POS codes
 - ▶ Clarified the importance of ensuring you are billing with the correct POS code, per the exceptions
- 



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»» Website Changes

New Medical Policy Center

Medical Policy Center

 [Print](#)  [Bookmark](#)

The official Local Coverage Determination (LCD) is the version on the [CMS Medicare Coverage Database](#). LCDs contained on this Web site are for your convenience only.

Jurisdiction 12 (J12) applies to providers in Delaware, Maryland, New Jersey, Pennsylvania, Washington, D.C.

Jurisdiction H (JH) applies to providers in Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma, Texas, Indian Health Service/Tribal Providers and Veterans Affairs Providers.

Local Coverage Determinations (LCDs) / Policies

- [Latest LCD Updates \[J12 | JH \]](#)
- [Search all LCDs](#)
- [Current Active LCDs \[J12 | JH \]](#)
- [Retired LCDs \[J12 | JH \]](#)
- [Medicare Coverage Database *](#)



Local Coverage Articles

- [Latest Article Updates \[J12 | JH \]](#)
- [Search all Articles](#)
- [Current Active Articles \[J12 | JH \]](#)
- [Retired Articles \[J12 | JH \]](#)
- [Medicare Coverage Database *](#)
- [Self Administered Drug Exclusions](#)



Draft LCDs and Contractor Advisory Committee (CAC)

- [Draft LCDs & Related Information](#)
- [Open Session Information](#)
- [CAC Members Area](#) (requires password)



Quick Search

- LCDs
- LCDs
- Articles
- Articles



Additional Resources

- [Alerts & News Bulletins](#)
- [National Coverage Determinations \(NCDs\) *](#)
- [CPT Codes - Interactive Search *](#)
- [HCPCS Release and Code Sets *](#)
- [ICD-9-CM Procedure & Diagnostic Codes *](#)



Need Help?

- [Contact the Medical Policy Department](#)
- [Need Help Locating Information on a Particular CPT or ICD-9-CM Code?](#)
- [How to Use the Medicare Coverage Database at CMS *](#)
- [The Medical Policy Process - An Overview](#)
- [The LCD Reconsideration Process](#)



New Medical Policy Search

Search Local Coverage Determinations  [Print](#)

Search LCDs | **Search Articles** | **LCDs by Title**

Find:

States/Region: Please Select...
Enter: Please Select...
Jurisdiction 12 (J12): DE, MD, NJ, PA, DC
Jurisdiction H (JH): AK, CO, LA, MS, NM, OK, TX, IHS, VA

CPT/ICD-9 CODE (examples: 99992, 345.9) and click the SEARCH button.
By default, search will only display active LCDs. To modify, use the **LCD STATUS** checkboxes at the bottom of this form.

Display: **RESULTS** per page:
LCD STATUS: Active Draft Retired Prior Version



New Fee Schedules Center



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Home | Acronyms | Accessibility/508 | Careers | Links | Site Help | Site Map | Contact Us

or use the *Medical Policy Search* or the *Advanced Search*.

J12 MAC [HOME] | JH MAC Transition | Hot Topics | Beneficiaries/Patients | Section 1011

You are here : [Part A Home | Part B Home] > Part B Fees & Reimbursement Center

- Contact Information
- Beneficiaries/Patients
- A/B Reference Manual
- Appeals
- Cost Reporting & Reimbursement
- CERT
- Claims & Billing
- Customer Service Center
- Electronic Billing (EDI)
- Evaluation & Management
- Enrollment
- Fee Schedules
- Forms Catalog
- Frequently Asked Questions
- Medical Policy
- Medical Policy Search
- News & Bulletins
- Training & Events
- Join Mailing Lists
- Links To Other Sites

2012 Medicare Part B Fee Schedule Downloads & Information

 [Print](#)  [Bookmark](#)

- [Details about this year's Fee Schedule](#)
- [Arkansas \(AR\)](#)
- [Colorado \(CO\)](#)
- [Delaware \(DE\)](#)
- [District of Columbia Metropolitan Area \(DCMA\)](#)
- [Louisiana \(LA\)](#)
- [Maryland \(MD\)](#)
- [Mississippi \(MS\)](#)
- [New Jersey \(NJ\)](#)
- [New Mexico \(NM\)](#)
- [Oklahoma \(OK\)](#)
- [Pennsylvania \(PA\)](#)
- [Texas \(TX\)](#)
- [2012 Part B Interactive Fee Schedule Calculator](#)
- [Access CMS's Fee Schedule Look-Up site*](#)

* An asterisk denotes a web site that is external to Novitas Solutions. These links will open in new browser windows.

[Go to Top](#) 



Self Service Options

Customer Service Center

Customer Service Center

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Please remember that per CMS regulations, providers are required to use the Interactive Voice Response (IVR) unit for Claim Status, Patient Eligibility, Check/Earning and Remittance inquiries. Review the Step by Step Guides below for detailed instructions.

Single Toll Free Service

Single Toll Free Service and the options with which you are presented when you call.



- [Part A Call Flow](#) **NEW!**
- [Step By Step Guide to using the Part A IVR](#)
- [Part B Call Flow](#) **NEW!**
- [Step By Step Guide to using the Part B IVR](#)

References

- [A/B References Manual](#)
- [Part A Claims Issues Log](#)



System Access

Direct Data Entry (DDE) is a method of claim submission, claim correction, claim status, and eligibility inquiries for Part A Providers.



- **Part A Only:**
 - [Direct Data Entry\(DDE\) into FISS](#)
 - [FISS User Manual](#)

Professional Provider Telecommunication Network (PPTN) is a method for making claims status and eligibility inquiries for Part B Providers.

- **Part B Only:**
 - [PPTN into MCS](#)
 - [PPTN User Guide](#)

Self Service Tools

Calculators and online directories for quick research.



- **Part A and Part B:**
 - [Check your enrollment status](#)
 - [Physician Opt Out Listing](#)
 - [Find a Physician](#)
 - [Appeals Timeliness Calculator Tools](#)
 - [IVR Name to Number Conversion Tool](#)
- **Part B Only:**
 - [2012 Part B Fee Schedule Calculator](#)
 - [Secondary Liability Calculator](#)
 - [Patient Responsibility Calculator](#)
 - [Psychiatric Calculator](#)

Frequently Asked Questions(FAQs)

Questions and answers to some of our most popular topics.



- [Top Provider Inquiries](#)
- [Centers for Medicare and Medicaid Services \(CMS\) Faq Database](#) *

Contact Information

Guidance on who to contact when you have a Medicare question, join mailing lists for daily news and surveys to offer feedback.



- [Novitas Inquiry Guide](#) **NEW!**
- [Contact Us Page](#)
- [Holiday Closure Schedule](#)
- [Customer Contact Center Satisfaction Survey](#) *

* An asterisk denotes a web site that is external to Novitas Solutions. These links will open in new browser windows.

Customer Contact Information

- ▶ Provider
 - 1-877-235-8073
 - Hours of Operation
 - Monday: 8:00 am – 2:00 pm
 - Tuesday – Friday: 8:00 am – 4:00 pm
 - Call Flow
 - Customer Service Center
 - <https://www.novitas-solutions.com/csc/index.html>

- ▶ Interactive Voice Response (IVR)
 - Hours of Operation
 - Monday: 6:00 am – 8:00 pm
 - Tuesday - Friday: 4:00 am – 8:00 pm
 - Saturday: 6:00 am – 4:00 pm
 - Step-by-Step Guide
 - Customer Service Center
 - <https://www.novitas-solutions.com/csc/index.html>

Beneficiary Contact Information

- ▶ Patient / Medicare Beneficiary
 - 1-800-MEDICARE (1-800-633-4227)
 - <http://www.medicare.gov/default.aspx>

New Fax Option Part B Redetermination Request

- ▶ Coming Soon...new fax option for Part B Redetermination Requests
- ▶ Applies to Part B Redetermination Requests only
- ▶ Complete and print the online redetermination request form (use as fax cover sheet)
 - <https://www.novitas-solutions.com/partb/forms/pdf/partb-redeterm-form.pdf>
- ▶ Sign the request form and include the claim number
- ▶ Limit 1 request per claim, not to exceed 200 pages
- ▶ 1-888-541-3829
 - Available 24 hours a day, 7 days a week

Fax to Image

- ▶ Were you aware records for an Additional Development Request (ADR) can be faxed directly to Novitas Solutions?
- ▶ The fax to image option allows for documentation to be submitted directly to Novitas Solutions.
 - Available 24 hours a day, 7 days a week
 - Fax ADR response to 1-877-439-5479
- ▶ Faxes should not exceed 200 pages
- ▶ The original ADR request must be submitted as the cover sheet to the records
- ▶ Supporting documentation, or requested medical records, should follow the ADR letter
- ▶ Each ADR request must be faxed separately
- ▶ Additional Tips
 - <https://www.novitas-solutions.com/bulletins/parta/newsletter/2012/jan.html>

Medicare Insights Weekly Podcast

- ▶ Weekly podcast covering important Medicare news and events
- ▶ Automatically delivered
- ▶ Easy to subscribe, just copy the link to your podcast software
- ▶ <https://www.novitas-solutions.com/podcasts/>

Medicare Part B Center

- ▶ Our website offers a wide variety of valuable resources including:
 - A/B Reference Manual
 - Appeals
 - Electronic Billing (EDI)
 - News and Bulletins
 - Self-Service Tools

- ▶ For additional resources visit:
 - <https://www.novitas-solutions.com/partb/index.html>

Mailing List

- ▶ Subscribe to our E-Mail Lists
 - <https://www.novitas-solutions.com/maillinglists.html>
- ▶ Available mailing lists
 - Part B General Education (Receives All Updates, except EDI)
 - Part B Electronic Billers (EDI)
 - Part A & B PC-ACE Pro32 Users (EDI)

Calendar of Events

- ▶ Our Training and Events Center offers a wide variety of education
- ▶ Join us for Workshops, Teleconferences, and Webinars
- ▶ To view the most current calendar of events, visit:
 - <https://www.novitas-solutions.com/training/index.html>



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Thank You

Janice Mumma, Supervisor Outreach and
Education

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