Clover

Clover Health Professional Place of Service During Inpatient Reimbursement Policy

Policy # RP-061

Policy Title	Professional Place of Service During Inpatient Reimbursement Policy
Policy Department	Payment Strategy & Optimization
Effective Date	4/1/2022
Revision Date(s)	
Next Review Date	

Disclaimer:
Clover Health applies The Center for Medicare and Medicaid Services (CMS) criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

This policy describes the appropriate Place of Service (POS) to be billed on a professional claim when the item or service is supplied in a facility or when a member is currently admitted to inpatient care

Definitions:

- Place of Service (POS)
  - A code that is billed on a 1500 claim form in box 24B, it is a 2 digit code to indicate where the item or services were provided to the member or to indicate that the member was inpatient during the date of service
- Inpatient Services
  - Inpatient hospital services are defined in Title XVIII of the Social Security Act (the Act) and in the regulations (42 CFR 409.10). For purposes of this communication, inpatient services are when a member is admitted and currently admitted to a facility that would bill under Medicare Part A. This will include inpatient acute, inpatient rehab, long term acute care, skilled nursing facilities, etc.

Policy:

The Place of Service billed on a professional claim should correspond to the inpatient site of service for the member when a member is in an inpatient setting.

Under the Medicare Physician Fee Schedule (MPFS), some procedures have a separate Medicare fee schedule for a physician's professional services when given in a facility (such as a hospital) or a non-facility. Generally, Medicare gives higher payments to physicians and other health care professionals for procedures performed in their offices because they must supply clinical staff, supplies, and equipment. This pricing differential may be found on the MPFS in the Non-Facility Price and Facility Price columns.

Professional services are expected to be billed consistent with the patient's status as an inpatient or an outpatient. When a member is in a facility setting (or admitted to inpatient), the professional claims submitted should be paid at the facility reimbursement rate. CMS has provided clarification that when a member is inpatient (e.g. SNF) and leaves to go to an office setting, but is not discharged, the professional claim should bill the facility POS.

Because patient status may change prior to discharge, communication among those involved in the care of the patient is essential. If a physician provider billing part B has submitted a claim and learns that the patient's status has changed, the claim should be resubmitted.

Additionally, some HCPCS codes indicate where the service took place, e.g. 99218-99220 are initial observation care CPT codes, so that POS would be known based on the coding. For claims billed with codes that indicate a POS, the provider should bill the corresponding code in box 24B.

Claim Codes (if applicable)	The list of settings where a physician's services are paid at the facility rate include: ● Telehealth (POS 02); ● Outpatient Hospital-Off campus (POS code 19); ● Inpatient Hospital (POS code 21); ● Outpatient Hospital-On campus (POS code 22); ● Emergency Room-Hospital (POS code 23); ● Medicare-participating ambulatory surgical center (ASC) for a HCPCS code included on the ASC approved list of procedures (POS code 24);

	• Medicare-participating ASC for a procedure not on the ASC list of approved procedures with dates of service on or after January 1, 2008. (POS code 24); • Military Treatment Facility (POS Code 26); • Skilled Nursing Facility (SNF) for a Part A resident (POS code 31); • Hospice – for inpatient care (POS code 34); • Ambulance – Land (POS code 41); • Ambulance – Air or Water (POS code 42); • Inpatient Psychiatric Facility (POS code 51); • Psychiatric Facility -- Partial Hospitalization (POS code 52); • Community Mental Health Center (POS code 53); • Psychiatric Residential Treatment Center (POS code 56); and • Comprehensive Inpatient Rehabilitation Facility (POS code 61)

References
Place of Service Codes for Professional Claims
Medicare Benefit Policy Manual - Chapter 1
Billing and Coding: Acute Care: Inpatient, Observation and Treatment Room Services
Medicare Claims Processing Manual CR10272