

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



News Flash –

Re-released products from the Medicare Learning Network® (MLN)

- [“Medicare Fee-For-Service \(FFS\) Physicians and Non-Physician Practitioners: Protecting Your Privacy - Protecting Your Medicare Enrollment Record,”](#) Fact Sheet, ICN 903765, Downloadable only.

MLN Matters® Number: MM7892

Related Change Request (CR) #: CR 7892

Related CR Release Date: January 31, 2013

Effective Date: July 1, 2013

Related CR Transmittal #: R11700TN

Implementation Date: July 1, 2013

Common Working File (CWF) Informational Unsolicited Response (IUR) or Reject for Place of Service Billed by Physician Office and either Ambulatory Surgical Center or Inpatient Hospital

Note: This article was revised on May 15, 2013, to add a reference to article MM7631 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM7631.pdf>) that informs providers about the latest Place of Service coding instructions for all services paid under the MPFS and for certain services by independent laboratories. All other information is unchanged.

Provider Types Affected

This MLN Matters® Article is intended for physicians, providers and suppliers submitting claims to Medicare contractors (A/B Medicare Administrative Contractors (MACs) and carriers) for services to Medicare beneficiaries.

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What You Need to Know

The Medicare physician fee schedule includes two payment amounts depending on whether a service is performed in a facility setting, such as an outpatient hospital department or ambulatory surgical center, or in a non-facility setting, such as a physician's office. The payments to physicians are higher when the services are performed in non-facility settings. The higher payments are designed to compensate physicians for the additional costs incurred to provide the service at an office location as opposed to a facility location. In order for the physician to receive the higher non-facility practice expense payment, the service must meet the requirements of 42 CFR 414.22(b)(5)(i)(B).

Background

The Office of Inspector General identified incorrect place of service billing by physicians as a payment error in an audit report (see A-01-11-00508). This report stated, "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 reimburse a physician incorrectly for the overhead portion of the payment if the service was performed in a facility setting." This report also states that several Medicare contractors overpaid physicians who did not correctly identify the place of service on their claims.

To ensure proper payment, CWF will create an IUR for all claims where the dates of service, the beneficiary information, and procedure, are all the same and billed with a physician place of service code 11 - office, and a facility code for inpatient hospital – 21, and ambulatory surgical center (ASC) – 24, that is posted due to an update from CMS. An IUR is a message from CWF to a MAC, carrier or fiscal intermediary, as applicable, to review claims for accuracy.

Additional Information

The official instructions, CR 7892, issued to your MAC or carrier regarding this change, may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1170OTN.pdf> on the CMS website.

If you have any questions, please contact your carrier or A/B MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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