



Improving Payment Accuracy for Physician Services in Skilled Nursing Facilities

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Related CR Title: Enhancing Compliance and Payment Accuracy for Physician Services in Skilled Nursing Facilities	

Affected Providers

- Physicians
- Skilled nursing facilities (SNFs)
- Other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients

Action Needed

Make sure your billing staff knows about these updates:

- Place of Service (POS) codes 31 and 32 represent physician services provided to patients in SNFs and nursing facilities (NFs)
- Use POS 31 for services provided during a patient’s Medicare Part A stay
- Use POS 32 for services provided in NFs and for those provided in SNFs when patients have exhausted their Part A coverage

Background

Medicare pays practitioners separately for physician services, distinct from payments it makes to inpatient facilities (such as SNFs or hospitals). Practitioners report a 2-digit POS code on Medicare claim lines showing where they provided the service. The Office of Inspector General finds that practitioners don’t always follow CMS regulations and guidance when reporting the appropriate POS code.

This non-compliance increases our risk of making overpayments for physician services provided to inpatients of SNFs or hospitals. Don't use non-facility POS code 32 if the patient still has Medicare Part A stay coverage. The correct POS code to use during a covered Part A stay in a SNF is POS 31. This misclassification results in overpayments and undermines payment accuracy.

If our systems detect a professional claim with POS 32 that overlaps a previously processed claim for a covered Part A SNF stay, we'll reject the professional claim. If we already paid a professional claim with POS 32 and get a SNF claim that overlaps the professional claim, our systems will initiate an adjustment of that professional claim.

When using these POS codes, remember:

- Use POS code 31 for services provided:
 - In SNFs for patients with Part A coverage
 - In mixed facilities (those containing both NF and SNF settings) unless the physician verifies no Part A payment will be made
- Use POS code 32 for all services you provide in NFs and for services you provide in SNFs when patients have exhausted their Part A coverage

More Information

We issued CR 13767 to your MAC as the official instruction for this change. For more information, find your [MAC's website](#).

Document History

Date of Change	Description
March 14, 2025	Initial article released.

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