



# Payment Policy

Procedure to Place of Service	
Original effect date:	Revision date:
07/08/2017	10/01/2021

## IMPORTANT INFORMATION

Blue Shield of California payment policy may follow industry standard recommendations from various sources such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), Current Procedural Terminology (CPT) and/or other professional organizations and societies for individual provider scope of practice or other coding guidelines. The above referenced payment policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms or their electronic equivalent. This payment policy is intended to serve as a general overview and does not address every aspect of the claims reimbursement methodology. This information is intended to serve only as a general reference regarding Blue Shield's payment policy and is not intended to address every facet of a reimbursement situation. Blue Shield of California may use sound discretion in interpreting and applying this policy to health care services provided in a particular case. Furthermore, the policy does not address all payment attributes related to reimbursement for health care services provided to a member. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy such as coding methodology, industry-standard reimbursement logic, regulatory/legislative requirements, benefit design, medical and drug policies. Coverage is subject to the terms, conditions and limitation of an individual member's programs benefits.

### Application

Place of Service Codes are two-digit codes placed on health care professional claims to indicate the setting in which a service was provided. The Centers for Medicare & Medicaid Services (CMS) maintain POS codes used throughout the health care industry.

This policy addresses the reimbursement of Current Procedural Terminology (CPT®) and Healthcare Common Procedure Coding System (HCPCS) codes that are reported in a place of service (POS) considered inappropriate based on the code's description and/or available coding guidelines when reported by a physician or other health care professional.

### Policy

Blue Shield of California will reimburse CPT and HCPCS codes only when reported with an appropriate place of service (POS).

The Centers for Medicare & Medicaid Services (CMS) maintain the Place of Service Code set, which are two-digit codes submitted on the CMS 1500 Health Insurance Claim Form or its electronic equivalent to indicate the setting in which a service was provided.

Blue Shield of California has established a list of CPT and HCPCS codes along with their appropriate POS code.

This policy is applied to claims with date of service on or after July 8, 2017.

### Rationale

The POS code set provides information about the clinical setting necessary to appropriately pay the healthcare claims. Many CPT and HCPCS codes include a place of service in their description or coding guidelines include the place(s) of service where the code may be performed. For example, CPT code 99221 (Initial hospital care, E&M) would not be appropriate for reporting in an office or home POS because its code description identifies hospital inpatient.

### Reimbursement Guideline

Blue Shield of California will reference national or regional industry standards, such as Centers for Medicare & Medicaid Services' (CMS) National Correct Coding Initiative (NCCI) and MUE (Medically Unlikely Edits) rules, and American Medical Association's (AMA) CPT guidelines, as coding standards and as guidance for payment policy. In claims payment scenarios where CMS and/or CPT reference is lacking or insufficient, the Payment Policy Committee (PPC) may develop customized payment policies that are based on other accepted or analogous industry payment standards and or expert input.

Resources
<ul style="list-style-type: none"> <li>• <b>American Medical Association</b>  <a href="https://www.ama-assn.org/">https://www.ama-assn.org/</a></li> <li>• <b>Centers for Medicare &amp; Medicaid Services- Place of Service Code Set</b>  <a href="https://www.cms.gov/Medicare/Coding/place-of-servicecodes/Place_of_Service_Code_Set.html">https://www.cms.gov/Medicare/Coding/place-of-servicecodes/Place_of_Service_Code_Set.html</a></li> </ul>

### Policy History

This section provides a chronological history of the activities, updates and changes that have occurred with this Payment Policy.

Effective Date	Action	Reason
07/08/2017	New Policy Adoption	Payment Policy Committee
08/03/2018	Maintenance	Payment Policy Committee
10/01/2021	Removed attachment Formatting and general language updates	Quarterly Maintenance

The materials provided to you are guidelines used by this plan to authorize, modify, or deny care for persons with similar illness or conditions. Specific care and treatment may vary depending on individual need and the benefits covered under an enrollee's contract. These policies are subject to change as new information becomes available.