Transparency Policy: Place of Service Mismatch

Reference Number: LA.PP.063
Effective Date: 08/2020
Last Review Date: 07/2025

Coding Implications
Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Policy Overview

Louisiana Healthcare Connection edits based on Current Procedural Terminology (CPT) and Healthcare Common Procedure Coding System (HCPCS) descriptions and guidelines which are published by the American Medical Association (AMA). These prepay claims edits are utilized for professional and outpatient facility claims, auditing for potential coding errors.

The purpose of this policy is to identify instances in which a procedure code is billed with an inappropriate place of service per CPT/HCPCS guidelines. For some CPT and HCPCS codes, criteria are included for where these services may be performed. According to the CPT manual, place of service (POS) should be specified and match the procedure code's description and/or guidelines for use. The edit takes AMA, CMS, and state guidelines into consideration to ensure accurate reimbursement for services provided.

Application

1. Physician and Non-physician Practitioner Services
2. Outpatient Institutional Claims

Reimbursement

Procedure codes reported with an inappropriate place of service will be denied. Any procedure code which has been reported appropriately per the guidelines in this transparency policy remains subject to all other applicable reimbursement policies and guidelines.

Payments to providers are subject to post payment review and recovery of overpayments.

Definitions

Place of Service: A numerical code on a claim indicating the entity where service(s) were rendered.

References

1. American Medical Association, *Current Procedural Terminology (CPT)*®, 2025
2. American Medical Association, *HCPCS Level II*, 2025
3. https://www.cms.gov/medicare/coding-billing/place-of-service-codes/code-sets
4. Individual state Medicaid regulations, manuals, and fee schedules
5. https://www.cms.gov/files/document/mm12427-newmodifications-place-service-pos-codes-telehealth.pdf

Revision History	Review Date	Approval Date	Effective Date
Converted corporate to local policy.	08/15/20		
Annual Review; Updated dates in the reference section from 2019 to 2021 Removed clinical and added payment policy in "Important Reminder" section	08/30/22		
Annual Review; dates in references updated	6/19/23	9/13/23	
Annual review; updated references and include links to CMS & HHS Place of service guidelines; remove pre-payment verbiage and added payments may be subject to post payment reviews and recoveries	8/26/24	10/23/24	11/22/24
Annual review; update references and dates	7/24	7/29/25	

Important Reminder

This payment policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this payment policy; and other available clinical information. LHCC makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this payment policy. This payment policy is consistent with standards of medical practice current at the time that this payment policy was approved.

The purpose of this payment policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable LHCC administrative policies and procedures.

This payment policy is effective as of the date determined by LHCC. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. LHCC retains the right to change, amend or withdraw this payment policy, and additional clinical policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members. This payment policy is not intended to

recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this payment policy are independent contractors who exercise independent judgment and over whom LHCC has no control or right of control. Providers are not agents or employees of LHCC.

This payment policy is the property of LHCC. Unauthorized copying, use, and distribution of this payment policy or any information contained herein are strictly prohibited. Providers, members and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members and their representatives agree to be bound by such terms and conditions by providing services to members and/or submitting claims for payment for such services.

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