



**Notice Date:** March 20, 2019  
**To:** HHW/HIP Providers  
**From:** CareSource®  
**Subject:** Place of Service Code for Claim Submissions

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CareSource has observed an increased number of billing errors surrounding ancillary services administered to patients in emergency department/observation status. CareSource would like to provide guidance on the criteria used to process the professional (PC) component of claim submissions.

The list below provides the appropriate place of service (POS) designation for professional services:

|                         |             |
|-------------------------|-------------|
| Inpatient Hospital      | POS code 21 |
| Outpatient Hospital     | POS code 22 |
| Emergency Room-Hospital | POS code 23 |

CareSource has received a high volume of claims where POS code 22 is being inappropriately tied to services that are rendered in an emergency room setting. In situations where a professional service is rendered in an emergency room setting, POS code 23 must be used to avoid claim denial for authorization requirements. POS code 22 should be used for outpatient services, which would include services provided in an observation setting.

In situations where outpatient services (emergency room or observation) are bundled with an inpatient admission, POS code 21 should be designated. An example of this would be where services were provided within 72 hours of an inpatient stay.

The claim requirements and criteria highlighted in this communication are sourced by NCCI (National Correct Coding Initiative) and Centers for Medicare and Medicaid Services (CMS) guidelines.