



Network Notification

Notice Date: May 8, 2019
To: Kentucky Medicaid Providers
From: Humana – CareSource®
Subject: Place of Service Code for Claim Submissions

Humana – CareSource has observed an increased number of billing errors involving ancillary services administered to patients in emergency department/observation status. Humana – CareSource wants 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

Humana – CareSource also received a high volume of claims with POS code 22 inappropriately indicated with services that are rendered in an emergency room setting. In situations when a professional service is rendered in an emergency room setting, POS code 23 should be indicated 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 addition, when emergency room or observation outpatient services are bundled with an inpatient admission (e.g. services provided within 72 hours of an inpatient stay), POS code 21 should be indicated.

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