



Flu Season is upon us! Begin now to take advantage of each office visit as an opportunity to talk with your patients about the flu virus and their risks for complications associated with the flu, and encourage them to get their flu shot. And don't forget, health care professionals need to protect themselves also. **Get Your Flu Shot. – Protect yourself, your patients, and your family and friends.** Remember - Influenza vaccination is a covered Part B benefit. Note that influenza vaccine is NOT a Part D covered drug. **For information about Medicare's coverage of adult immunizations and educational resources, go to <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0667.pdf> on the CMS website.**

MLN Matters Number: MM4316	Related Change Request (CR) #: 4316
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Related CR Transmittal #: R1049CP	Implementation Date: January 2, 2007

Update to the Place of Service (POS) Code Set to Add a Code for Prison/Correctional Facility

Provider Types Affected

Providers, physicians, and suppliers that submit claims to Medicare carriers, for services rendered in a prison/correctional facility.

Key Points

New Place of Service (POS) Code

A new Place of Service (POS) code "09" for prison/correctional facilities was added effective July 1, 2006. This POS code is described in the *Medicare Claims Processing Manual*, Chapter 26, Section 10.5 as:

"09 Prison/Correctional Facility (July 1, 2006) - A prison, jail, reformatory, work farm, detention center, or any other similar facility maintained by either Federal, State or local authorities for the purpose of confinement or rehabilitation of adult or juvenile criminal offenders."

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Claims Paid at Nonfacility Rate

Claims for covered services on the Medicare Physician Fee Schedule in this place of service/setting, if payable by Medicare, will be paid at the nonfacility rate, and Medicare carriers will develop policies as needed to adjudicate claims containing this new code.

New Code Does Not Supersede Medicare Policy

The addition of code 09 to the POS code set for a prison/correctional facility setting and Medicare claims processing reflects Medicare's compliance with HIPAA laws and regulations and in no way supersedes existing Medicare policy.

Carriers will continue to abide by current policy that does not allow for payment for Medicare services in a penal institution in most cases. This policy is supplied in the *Medicare Claims Processing Manual*, Chapter 1, Section 10.4, located at <http://www.cms.hhs.gov/Manuals/IOM/list.asp#TopOfPage> on the CMS site.

Background

As an entity covered under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Medicare must comply with standards and their implementation guides adopted by regulation under this statute. The currently adopted professional implementation guide for the ASC X12N 837 standard requires that each electronic claim transaction include a Place of Service (POS) code from the POS code set maintained by the Centers for Medicare & Medicaid Services (CMS). As a payer, Medicare must be able to recognize as valid any valid code from the POS code set that appears on the HIPAA standard claim transaction.

Additional Information

The POS code set provides setting information necessary to appropriately pay Medicare and Medicaid claims. At times, Medicaid has had a greater need for specificity than has Medicare, and many of the new codes developed over the past few years have been developed to meet Medicaid's needs.

While Medicare does not always need this greater specificity to appropriately pay claims, it nevertheless adjudicates claims with the new codes to ease coordination of benefits and to give Medicaid and other payers the setting information they require.

Note: Medicare's durable medical equipment regional carriers (DMERCs) and durable medical equipment administrative contractors (DME MACs) will implement this change at a later date and a separate notice will be provided when that implementation is scheduled.

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CR4316 is the official instruction issued to your carrier, regarding changes mentioned in this article. CR4316 may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R1049CP.pdf> on the CMS website.

Please refer to your local carrier if you have questions about this issue. To find their toll free phone number, go to <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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