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New Telehealth POS Code Takes Effect With Eye on Commercial Payers

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In an updated Medicare transmittal, CMS said it has implemented a new place of service (POS) code for telehealth services provided to patients at home (10) and modified a POS code for telehealth services delivered outside their home (02), but there's concern about it muddying the billing waters, experts say.^[1] And although this is a message from CMS, for the time being it may have more of an effect on claims that providers submit to commercial payers.

In language highlighted in the transmittal (11427), CMS said, "Note that while the modification of POS Code 02 and the creation of POS Code 10 are effective in the National POS code set effective January 1, 2022, Medicare contractors received instructions regarding how to process claims with these codes starting April 4, 2022, so that Medicare would align with existing Telehealth claims processing policy, as well as be considered HIPAA compliant."

POS codes are reported on Form CMS-1500 to communicate the setting where services are provided. Medicare creates and maintains POS codes used by all players in the industry, providers and payers alike (e.g., Original Medicare, Medicare Advantage, commercial payers), as required for HIPAA standardized transaction sets.

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