



## Hospitals with off-campus provider-based departments: Check your PECOS enrollment file

March 11, 2019

**9/5/2019 Update:** CMS has [announced](#) that it is delaying full implementation of the edit to the Medicare claims processing process to validate that outpatient services furnished in off-campus HOPDs are being provided at Medicare-enrolled locations **until April 2020**.

**6/28/2019 Update:** The original April 1, 2019, "go-live" date for implementation of the edit to the Medicare claims processing process to validate that outpatient services furnished in off-campus HOPDs are being provided at Medicare-enrolled locations, which was already delayed once to July 1, 2019, has been pushed back again – **this time to October 2019**. In April 2019, CMS enabled the query function so that hospitals can confirm the exact address of an off-campus HOPD as listed in PECOS and match it to the location where the services are being provided as shown on Medicare claims. The updated CMS guidance, including instructions for how to do this query, is available [here](#). In this updated guidance, CMS commented that "[it] expects that the 2½ year time frame that the edits have not been active have provided ample time for providers to validate their claims submission system and the PECOS information for their off-campus provider departments are exact matches." Our original March 11, 2019, publication about the new edit and the potential consequences is below.

Now is the time to double and triple check your Medicare Provider Enrollment, Chain, and Ownership System (PECOS) enrollment

file to make sure all information for off-campus provider-based service locations is correct. Even minor errors may soon impact a hospital's ability to submit claims from these locations to Medicare.

Since January 2017, in accordance with the Bipartisan Budget Act of 2015, the Centers for Medicare and Medicaid Services (CMS) have required hospitals to identify non-excepted items and services provided at off-campus hospital outpatient departments (HOPDs) by reporting the "PN" modifier on the claim line for each non-excepted item or service. In addition, excepted off-campus HOPDs must report the "PO" modifier for all excepted items and services furnished in such locations. The reporting of the "PO" and "PN" modifiers enables CMS to identify all off-campus HOPDs where services are being furnished and confirm that these modifiers are being used correctly and payment for these services is correct.

Starting as soon as April 2019, CMS is expected to direct Medicare Administrative Contractors (MACs) to implement an edit to the claims processing process that will validate that off-campus HOPDs where outpatient services are being provided are Medicare-enrolled locations. This means that Medicare will reject claims when there is not an **exact** match between the information that was on the hospital's CMS Form 855A (and appearing in PECOS) and the off-campus HOPD service facility location reported on the hospital's Medicare Outpatient Prospective Payment System (OPPS) claims.

So, not only must every off-campus HOPD location where your hospital provides services satisfy the provider-based requirements, be listed as a practice location on the hospital's 855A, and be included in the hospital's PECOS enrollment file, but there also must be an exact match between how the address is listed in PECOS and the service facility location shown on the claims submitted to Medicare. **Exact means exact.** In CMS' MLN Matters article 18023 dated October 12, 2018, discussing the roll-out of the new edit, CMS noted that most discrepancies that were found were spelling variations, such as "Road" versus "Rd" or "Rd." and "Suite" versus "STE." After the process edit is put into place, these discrepancies will cause claims to be rejected.

Prior to April 2019, hospitals should ensure that all of their off-campus HOPD locations where outpatient services are being provided are in PECOS. If any are not, they should submit the 855A to add the missing location(s). To facilitate the cross-checking of addresses to ensure an exact match, CMS has committed to making the practice location screen in PECOS available for providers to query before the edit goes live and claims are set up to Return-to-Provider (RTP). This query function will enable hospitals to confirm the exact address of an off-campus HOPD as listed in PECOS and match it to the location where the services are being provided as shown on Medicare claims. Any necessary corrections to the PECOS file can then be made so claims are not rejected.

# Authors

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