

	Office Facility Fees	
	Policy Number: POL-PP-127	Original Creation Date: 3/1/2020
	Version Number: Version	Version Effective Date: 3/1/2020
	Policy Status: Active	Next Review Date: 3/1/2026

NOTICE

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Blue KC reserves the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to: <https://providers.bluekc.com/ContactUs/PaymentPolicies>.

PROVIDER/ENTITY IMPACTED					
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
PROFESSIONAL	FACILITY	DME	AMBULATORY SURGERY	LAB	OTHER

LINES OF BUSINESS IMPACTED						
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COMMERCIAL	BLUE MEDICARE ADVANTAGE	ACA QHP¹	SMALL GROUP ACA	JAA²	FEP³	DENTAL

¹ ACA QHP: Affordable Care Act Qualified Health Plan for Individual/Family ² JAA: Joint Administrative Account ³ FEP: Federal Employee Program

Disclaimer

Blue KC has developed Provider Payment Policies to provide guidance on payment methodologies as they pertain to submitted claims. These policies are written following industry standard recommendations from sources such as:

- Current Procedural Terminology
- Centers for Medicare and Medicaid
- American Medical Association
- National Correct Coding Initiative
- Other professional organizations and societies

Coverage of any service is determined by date of service, a member's eligibility and benefit limits for the service or services rendered, all terms of the Provider Service Agreement, and other standards of coding rules and guidelines.

Final payment is subject to the application of claims adjudication and edits common to the industry.

For confirmation of which services may be eligible for coverage and description of when medical services are considered medically necessary, not medically necessary, or investigational, please contact:

- Blue KC Provider Hotline for Commercial lines of Business 816-395-3929
- Affordable Care Act Provider Hotline 866-859-3822
- Blue Medicare Advantage Provider Hotline 866-508-7140

In the event of a conflict between any policies, the Member's coverage document will govern.

Description/Application

Blue KC does not recognize ownership of a professional provider/private practice by a hospital or facility or use of a hospital or facility's tax identification number for claims submission on behalf of the provider/private practice, as a hospital or facility provider, when the setting is office based. Therefore, when this type of relationship exists, the place of service where services are provided is not considered by Blue KC to be a hospital or facility.

Policy

Blue KC defines an office place of service (POS) as a location outside of a hospital or facility wherein the professional provider/private practice may or may not own equipment, compensate staff, or hold responsibility for all overhead expenses. Additionally, the physical site location **does not** include state licensed inpatient beds, a state licensed emergency room or emergency department, nor provide 24 hour per day seven days a week onsite continuous physician/ other qualified health care professional and nursing services for diagnosis and treatment of patients.

The physical site location also **does not** have licensure and accreditation (either Joint Commission or Accreditation Association for Ambulatory Health Care (AAAHC) certification) as an Ambulatory Surgery Center.

In addition, Blue KC defines an office setting as one that is located within a hospital or facility, a professional building attached to and owned by a hospital or facility, or an offsite professional building owned by a hospital or facility when one or more of the following conditions is present:

- Office space is rented by or there is an agreement between the professional provider/private practice that operates under a separate tax identification number or National Provider Identifier (NPI), and the hospital or facility.
- The location is in a separately identifiable part of the hospital or facility and used solely as the professional provider's/private practice's office regardless of the state's licensing or certification of certain areas within the hospital or facility as a department of the hospital (e.g., orthopedic clinic, pediatric clinic).
- When equipment is located in rented space within the hospital or facility's "four walls" then the services (e.g., radiology services, electrocardiograms) are considered to be provided in an office setting regardless of who owns the equipment.
- A free standing or off campus location owned by a hospital, facility, or health system that allows for separate offices is considered an office place of service and services provided in this type of setting are considered to be provided in an office.

A provider-based facility shall not charge, bill, or collect a facility fee for services rendered. The patient shall not be responsible for such charge unless Medicare is the primary payor for such patient and the facility is allowed to charge the fee under federal law or the patient is covered by Medicaid, and Medicaid allows the facility to charge the fee.

All procedures and/or services performed by a private professional provider/private practice group in an office POS as defined in this policy will only be eligible for reimbursement when reported on a Form CMS-1500 with an office place of service (POS code 11).

There are no exemptions or exceptions to this policy.

Coding

Revenue codes considered as not eligible for reimbursement are

Rev Code	Description
051X	Clinic
0510	Clinic-General classification
0511	Clinic-Chronic Pain Center
0512	Clinic-Dental Clinic
0513	Clinic-Psychiatric Clinic
0514	Clinic-OB/GYN Clinic
0515	Clinic-Pediatric Clinic
0516	Clinic-Urgent Care Clinic
0517	Clinic-Family Practice Clinic
0519	Clinic-Other Clinic
052X	Category title: Freestanding Clinic
0520	Freestanding Clinic-General Classification
0523	Freestanding Clinic-Family Practice Clinic
0526	Freestanding Clinic-Urgent Care Clinic
0529	Freestanding Clinic-Other Freestanding Clinic

References and Resources

American Medical Association CPT Manual
Center for Medicare and Medicaid Services
Blue KC Provider Reference Guide

Related Documents

N/A

Revision History

Version	Date	Summary of Revisions
001	3/1/2020	Initial version
002	9/1/2021	Annual Review added 2021 Office and Other Outpatient Evaluation and Management Services to related policies.
003	9/1/2022	Policy updated to remove CPT codes, please see CPT manual for correct coding
004	9/1/2023	Policy updated to remove government regulations link and verbiage.

005	9/1/2024	Annual review - added virtual cardiac rehabilitation under investigational
006	9/22/2021	Policy updated to add table of revenue codes not eligible for reimbursement.
007	3/1/2022	Annual review, there were no updates or changes made to the policy
008	3/29/2022	Policy updated to remove definitions of office pos, hospital etc.
009	4/12/2023	Annual review, there were no updates or changes made to the policy
010	5/2/2023	Added to policy, "This policy applies to all commercial lines of business."
011	3/1/2024	Annual review, there were no updates or changes made to the policy
012	3/1/2025	Annual review, there were no updates or changes made to the policy
013	9/1/2025	Policy updated to remove revenue codes for Rural health clinics from not eligible for reimbursement
014	3/1/2026	Annual review, there were no updates or changes made to the policy