

Site of Service Differential

Policy Number: ADMINISTRATIVE 182.18
Effective Date: January 1, 2024

[Instructions for Use](#)

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Related Policies
None

Applicable Lines of Business/Products

This policy applies to Oxford Commercial plan membership.

Purpose

The purpose of this policy is to describe the reimbursement methodology for Current Procedural Terminology (CPT®) and Healthcare Common Procedural Coding System (HCPCS) codes based on the location where the medical service was performed.

Policy

The site of service differential recognizes that a physician’s practice expense is generally lower when services are provided in a facility setting. When a procedure is performed in a facility setting the physician uses hospital resources rather than their own therefore reducing the practice expense for the physician.

Note: When there is a conflict between the reimbursement methodology outlined in this policy and the participating provider contract, the contract will govern.

Oxford utilizes the Center for Medicare and Medicaid Services (CMS) National Physician Fee Schedule (NPFS) Relative Value File to determine whether a CPT or HCPCS code is eligible for the site of service differential. CPT/HCPCS codes with Facility Total and Non-Facility *Total* amount that:

- **Match:** Are not eligible for a site of service differential.
- **Do not match:** Are eligible for the site of service differential.

The edits administered by this policy may be found on the following link using the appropriate year and quarter and referencing the “Facility Total” (column M) and the “Non-Facility Total” (column L).

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>.

Oxford generally utilizes the place of service (POS) code set determined by CMS for administration of the site of service differential.

Places of service that are considered a facility by CMS:

Facility Place of Service Codes										
02	19	21	22	23	24	26	31	34	41	42
51	52	53	56	61						

When a participating provider performs one of the eligible procedures in a:

- **Facility setting**, the provider will be reimbursed at the site of service differential rate.
- **Any other (non-facility) setting**, the provider will be reimbursed at the non-facility rate.

A site of service differential rate will be applied when the following criteria are met:

- The provider rendering services is an individual physician.
- The provider is a participating physician.
- The CPT/HCPCS codes “Facility Total” (column M) and the “Non-Facility Total” (column L) do not match on the CMS NPFS file.
- The service was provided in a facility setting.

References

Centers for Medicare and Medicaid Services (CMS), Medicare Claims Processing Manual. Chapter 12 § 20.4.2. Available at: <http://www.cms.gov/manuals/downloads/clm104c12.pdf>. Accessed October 23, 2023.

Centers for Medicare and Medicaid Services, Physician Fee Schedule (PFS) Relative Value Files. Available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Relative-Value-Files>. Accessed October 23, 2023.

Policy History/Revision Information

Date	Summary of Changes
01/01/2024	Supporting Information <ul style="list-style-type: none">• Updated <i>References</i> section with the most current information• Archived previous policy version ADMINISTRATIVE 182.17

Instructions for Use

The services described in Oxford policies are subject to the terms, conditions and limitations of the member's contract or certificate. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members. Oxford reserves the right, in its sole discretion, to modify policies as necessary without prior written notice unless otherwise required by Oxford's administrative procedures or applicable state law. The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies.

Certain policies may not be applicable to Self-Funded members and certain insured products. Refer to the member specific benefit plan document or Certificate of Coverage to determine whether coverage is provided or if there are any exclusions or benefit limitations applicable to any of these policies. If there is a difference between any policy and the member specific benefit plan document or Certificate of Coverage, the member specific benefit plan document or Certificate of Coverage will govern.

UnitedHealthcare may also use tools developed by third parties, such as the InterQual[®] criteria, to assist us in administering health benefits. The InterQual[®] criteria are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.