

Clinic Services In the Hospital Outpatient Setting

Last Updated: 11/12/2025

Last Reviewed: 11/12/2025

Originally Effective: 9/20/2018

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a

Policy #: RPM061

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All)

Provider Contract Status: Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions)

Claim Dates: All

Reimbursement Guidelines

A. General Policy Statement

Split-billing of provider-based clinic (PBC) services is not permitted for hospital outpatient settings, regardless of location (POS 19 or 22) or tax identification usage. We do not follow CMS Original Medicare policy which allows split billing of provider-based services. Services must not be divided into separate claims for facility and professional charges.

B. Billing Requirements

1. All professional services in outpatient clinic settings must be submitted on a CMS1500 claim form (or electronic equivalent) using POS 11 (*Office*). Reimbursement will follow the applicable professional fee schedule.
2. Revenue Codes 0510 – 0519 Clinic
These revenue codes represent facility fee split billing, which is not allowed. Charges submitted under these revenue codes will be denied to facility/provider write-off. Participating providers may not balance-bill patients. Clinic visits must be billed using POS 11 to ensure appropriate reimbursement through the RVU practice-expense component of the E/M code.
3. Revenue Codes 0760 –0769 Specialty Services/Treatment Room
 - a. 0760 (General) & 0762 (Hours): May only be billed when the patient for outpatient observation services (G0378, G0379). E/M codes are not valid for these revenue codes.
 - b. 0761 Treatment Room: Permitted only for specific procedures performed in a treatment room (e.g., endoscopies, apheresis).
 - I. E/M codes (99201 – 99215) billed under 0761 will be denied to provider write-off.
 - II. If an E/M service is separately identifiable and submitted with modifier 25, it will be denied initially but may be reconsidered upon appeal with documentation.
 - c. 0769: Not accepted.^B
 - d. Services in hospital-owned PBCs must not be billed under 076X codes, including E/Ms and other reimbursable services. See instructions above for billing [professional services](#) and [E/M services provided in an outpatient clinic setting](#).

Definitions

Acronyms/Abbreviations

Acronym	Definition
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology

Acronym	Definition
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
PBC	Provider Based Clinic
PBD	Provider Based Department
PBE	Provider Based Entity
POS	Place of Service
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)

Definition of Terms

Term	Definition
Split Billing	"Services furnished in a provider-based department are generally billed in two or more claims—so-called split billing. A portion of the payment is made for the claim submitted by the hospital for its facility services, and the remainder is made for the claim for professional services provided by the physician or NPP." ⁴
Provider Based Clinic	Provider-based clinics are owned and operated by a hospital facility. The clinics may be on the same campus as the main hospital facility or located off-campus. A provider-based clinic must fulfill the obligations of a hospital outpatient department. ²
Provider Based Department	Provider Based Department (PBD). An off-campus, outpatient, provider-based department of a hospital. In some cases, these additional locations are in a different payment locality than the main provider. ¹⁰
Provider Based Entity	Provider Based Entity (PBE). Another term sometimes used for provider-based clinics or departments.

Place of Service Codes

Code	Short Description	Place of Service Code Long Description
11	Office	Location, other than a hospital, skilled nursing facility (SNF), military treatment facility, community health center, State or local public health clinic, or intermediate care facility (ICF), where the health professional routinely provides health examinations, diagnosis, and treatment of illness or injury on an ambulatory basis.
19	Off Campus-Outpatient Hospital	A portion of an off-campus hospital provider-based department which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization. (Effective January 1, 2016)
22	On Campus-Outpatient Hospital	A portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization. (Description change effective January 1, 2016)

Related Policies

- A. ["Moda Health Reimbursement Policy Overview."](#) Moda Health Reimbursement Policy Manual, RPM001.
- B. ["Modifier PO - G0463 Clinic Visit Services at Excepted Off-Campus Provider-Based Outpatient Department - Medicare Advantage."](#) Moda Health Reimbursement Policy Manual, RPM064.
- C. ["Revenue Codes Ending in '9' \("Other" Categories\)."](#) Moda Health Reimbursement Policy Manual, RPM042.

Resources

1. CMS. "Place of Service Code Set." Centers for Medicare & Medicaid. August 21, 2018, https://www.cms.gov/Medicare/Coding/place-of-service-codes/Place_of_Service_Code_Set.html .
2. Noridian Medicare. "Provider Based Facilities." Noridian Medicare. August 23, 2018, <https://med.noridianmedicare.com/web/jea/provider-types/provider-based-facilities> .
3. Gooch, Kelly. "7 Things to Know About Provider-based Billing." Becker's Hospital CFO Report. June 13, 2016. August 22, 2018, <https://www.beckershospitalreview.com/finance/7-things-to-know-about-provider-based-billing.html> .
4. Reese, Gina M., Esq., RN. "Reimbursement for Facility and Professional Services in a Provider-Based Department." *Medicare Insider*. September 8, 2015. August 22, 2018, <http://www.hcpro.com/CCP-320428-5091/Reimbursement-for-Facility-and-Professional-Services-in-a-ProviderBased-Department-by-Gina-M-Reese-Esq-RN.html> .
5. MLN. "Billing Requirements for OPPTS Providers with Multiple Service Locations." Medicare Learning Network. SE18002. Effective January 1, 2017. Last accessed September 20, 2022. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE18002.pdf> .
6. MLN. "January 2017 Update of the Hospital Outpatient Prospective Payment System (OPPS)." Medicare Learning Network. MM9930. Effective January 1, 2017. Last accessed September 22, 2022. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9930.pdf> .
7. CMS. "Use of HCPCS Modifier – PO." *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including Inpatient Hospital Part B and OPPTS), § 20.6.11.
8. CMS. "Use of HCPCS Modifier – PN." *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including Inpatient Hospital Part B and OPPTS), § 20.6.12.
9. Corley, Linda J., MBA, ACPAR, CRCR, CPC. "Provider-Based Billing . . . It Really Is Rocket Science!" Xtend Healthcare. 2019. Last accessed: November 1, 2022. <https://www.hfma.org/content/dam/hfma/chapters-websites/region-10/documents/MT%20HFMA-Provider%20Based%20BillingXtend.pdf>.
10. Noridian. "Off-Campus Hospital Outpatient Department Reporting Requirements." Noridian Healthcare Solutions, LLC; MAC Jurisdiction E & F. Last updated: August 20 , 2025. Last accessed October 30, 2025. <https://med.noridianmedicare.com/web/jfa/topics/claim-submission/submission-errors-solutions/off-campus-hospital-outpatient-department-reporting-requirements> .

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
11/12/25	Coding Guidelines & Sources section retired; see Resources for information. Background Information section retired. Policy History section info added to 11/9/2022 entry. Acronyms, Definition of Terms, & Resources updated. Formatting updates & rewording. No policy changes.
10/9/2024	Clarification of types of facility fee schedules excluded from scope of policy, and the relevant CMS 2019 site-neutral payment changes leading to effective date of policy. Related Policies updated. Formatting updates. No policy changes.

Date	Summary of Update
11/8/2023	Texas removed from Scope. Related Policies updated. Clarified what split billing looks like (not accepted), how clinic services should be billed, appropriate services to bill under revenue codes 0760 – 0769, and denials of inappropriate billing. No policy changes.
11/9/2022	Idaho added to Scope. Updated Acronyms, Coding Guidelines & Sources, Resources, Background Information. Policy History section added; entries prior to 2022 omitted (in archive storage). Formatting changes. No policy changes.
9/20/2018	Policy initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
8/9/2018	Original Effective Date (with or without formal documentation). Policy based on an administrative decision by agreement between the Vice President of Claims & Customer Service and Provider Contracting management.