

Report on Medicare Compliance Volume 29, Number 19. May 18, 2020

Services Open Up With Homes as PBDs; Send ROs Addresses to Bill With PO Modifier

By Nina Youngstrom

The world of hospital outpatient services has opened up again, from physical therapy to psychotherapy, partly because patient homes now may be considered provider-based departments during the COVID-19 public health emergency. There is some administrative burden on hospitals, however, in terms of informing their CMS regional offices of the patient homes and other temporary expansion locations, and there isn't a monolithic way to bill Medicare. It depends on what services are performed, who is providing them and whether they're delivered by telehealth. Modifier use also varies, affecting reimbursement.

CMS's May 8 revised interim final rule^[1] allows provider-based departments to relocate during the COVID-19 pandemic without losing their coveted provider-based status. That means they're able to bill the outpatient prospective payment system (OPPS) for certain services performed in their patients' homes or other new locations. To open this door, hospitals have to apply to CMS for an "extraordinary circumstances" exception, which now includes COVID-19, and satisfy other requirements, according to the interim final rule.

"This has allowed us to get back to providing much-needed outpatient services to patients who maybe haven't received any services," said Patrick Kennedy, executive director of hospital compliance at UNC Health in Chapel Hill, North Carolina. He's wondering, however, how hospitals are supposed to have oversight of the Medicare conditions of participation that CMS hasn't waived when patients receive care in their home by telehealth.

Even with the red tape, attorneys and compliance officers welcome the flexibility this gives hospitals. "It's extraordinary: you get to consider the home part of it," said attorney Andy Ruskin, with Morgan Lewis in Washington, D.C. "CMS has issued two interim final rules in a month. They are looking for every single authority to make it work." From a compliance perspective, Ruskin noted that hospitals have to register patients, which means sending them the usual forms electronically.

To set it in motion, hospitals must notify their CMS regional offices that they have "relocated" their off-campus provider-based department to the patient's home. They also must send the regional office their hospital's CMS certification number, the current and relocated provider-based department addresses, the reason for the relocation and other information.

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