

Reimbursement Policy Statement Illinois Medicaid

Effective Date	Next Annual Review	Policy Number	
12/01/2020	03/15/2027	ABHIL-RP-0033	
Policy Name		Department	
Place of Service		Claims Operations Medical Payment	
Policy Type			
Medical	Administrative	Pharmacy	Reimbursement

Aetna Better Health® of Illinois (ABH IL) implements comprehensive and robust policies and procedures to ensure alignment with Illinois Department of Health Care and Family Services (HFS) and to warrant that regulatory standards are met.

ABH IL reimbursement policies are intended to provide a general reference for claims filing, coding, documentation guidelines and administrative functions. Providers are ultimately responsible for submission of accurate reporting of services provided.

Reimbursement of reported services is subject to member benefit, eligibility on date of service, medical necessity, related plan policies and procedures, correct coding and clinical editing logic, provider contracts and all applicable plan documentation and guidelines set forth by Illinois Department of Health Care and Family Services (HFS). Coding methodology, regulatory requirements, industry standard claims logic, guidance from specialty organizations and other factors are considered in the development of plan policies. ABH IL retains the right to change, amend or withdraw this policy as needed, at any time.

CONTENTS OF POLICY:

Reimbursement Policy Statement	1
Table of Contents	1
A. Policy	2
B. Overview	2
C. Definitions	3
D. Reimbursement Guidelines	4
E. Codes/Conditions of Coverage	4
F. Frequently Asked Questions	4
G. Review/Revision History	4
H. Resources	5

A. Policy

This policy is provided as a guide to medical coding and editing guidelines for the appropriate reporting of Place of Service (POS). This policy aligns with guidance from the Centers for Medicare & Medicaid Services (CMS), AMA CPT Coding Guidelines as well as Illinois Department of Health Care and Family Services (HFS) guidance.

B. Overview

This policy outlines the coding and editing guidelines for reporting of valid POS codes. These codes are reported to indicate the setting in which a service was provided. POS codes determine whether professional services are paid at a facility or non-facility rate or whether the claim is payable at all. Claims submitted for services or procedures are required to include a valid and accurate POS code. This policy applies to all professional and facility claim types.

Moderate Sedation

Moderate or conscious sedation is defined by AMA CPT coding guidelines as a drug induced depression of consciousness during which a patient can respond to verbal commands. Moderate sedation does not require additional work to maintain a patient's airway or cardiovascular functioning. It is appropriate to report moderate sedation when performed by a second physician in a facility place of service. It is inappropriate to report moderate sedation when provided by a second physician in a non-facility place of service, and the service will be denied.

Mutually Exclusive Places of Service Effective 11/01/2023

The Place of Service (POS) code set is used to report where a service or procedure occurred. The most appropriate POS code should be reported on professional claims to describe where a patient was located when receiving a face-to-face service or where a technical component of a service occurred (in instances where a professional interpretation is being reported).

When a patient is a registered inpatient of a facility either on a specific date of service or on the day prior but has not been discharged, all professional services must be reported using the Inpatient Hospital POS code (21) regardless of where the actual service occurred.

Non- Facility Services Effective 11/01/2023

A non-facility service is defined by CMS as a medical service that is rarely or never performed in a non-facility setting. Medical services that are considered non-facility services are listed on the CMS Physician Fee Schedule with an indicator of "NA" in column H- Non-Facility NA Indicator column. ABHIL applies non-facility indicator rules- claims reported with a place of service code of office (11) will be denied when the procedure code is designated as a non-facility service by the CMS Physician Fee Schedule.



Aetna Better Health® of Illinois

C. Definitions

Term	Definition
Aetna Better Health of Illinois (ABHIL)	A subsidiary of CVS Health Corporation, Medicaid subsidiary that provides plan management and other administrative services for the Illinois Medicaid program.
American Medical Association (AMA)	A professional group that publishes research to advance public health and advocates for the interests of registered physician-members.
Centers for Medicare & Medicaid Services (CMS)	The federal agency that administers the Medicare program as well as works with the individual states to administer state Medicaid and Children’s Health Insurance Programs.
Current Procedural Terminology (CPT)	A medical code set maintained by the American Medical Association through the CPT Editorial Panel. The CPT code set (copyright protected by the AMA) describes medical, surgical, and diagnostic services and is designed to communicate uniform information about medical services and procedures among physicians, coders, patients, accreditation organizations, and payers for administrative, financial, and analytical purposes.
Illinois Department of Health Care and Family Services (HFS)	The Department of Healthcare and Family Services administers health insurance programs for children, pregnant women, and adults who are residents of Illinois.
Medicaid	The state administered program that provides health coverage to millions of Americans, including eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities, according to federal requirements. The program is funded jointly by states and the federal government.
Medicare	Medicare is a health insurance program for: people aged sixty-five (65) or older, people under age sixty-five (65) with certain disabilities, and people of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).
Place of Service Code (POS)	A two-digit numeric code used on professional healthcare claims to identify the setting in which a service was furnished. The POS code set is maintained by CMS.

D. Reimbursement Guidelines

ABH IL will only reimburse for services and/ or procedures when the place of service is appropriately reported. Appropriate reporting includes

- Moderate sedation services conducted by a second physician are only reported with a POS code that represents a facility setting
- Services designated as “NA” in the Non- Facility indicator column of the CMS Physician fee schedule are not reported as rendered in POS 11 (physician’s office) *Effective 11/01/2023*
- Services provided on the same date of service as inpatient care where the patient was not discharged on the same day or subsequent day are reported using POS 21 (inpatient hospital) *Effective 11/01/2023*

Claims that are submitted will be denied when

- Moderate sedation services conducted by a second physician are reported with a POS code that does not represent a facility setting
- Services designated as “NA” in the Non- Facility indicator column of the CMS Physician fee schedule are reported as rendered in POS 11 (physician’s office) *Effective 11/01/2023*
- Services provided on the same date of service as inpatient care where the patient was not discharged on the same day or subsequent day are not reported using POS 21 (inpatient hospital) *Effective 11/01/2023*

The medical record documentation is expected to support the specific CPT code(s) and ICD-10-CM codes reported.

E. Codes/Condition of Coverage

Applicable Moderate Sedation CPT Codes

99155	Moderate sedation services provided by a physician or other qualified health
99156	care professional other than the physician or other qualified health care
99157	professional performing the diagnostic or therapeutic service that the sedation supports

F. Frequently Asked Questions

N/A

G. Review/Revision Date

Action	Date	Comments
Revision	04/01/2026	Policy template updated; no content changes
Revision	11/01/2023	Guidance added on non-facility indicator NA and Mutually Exclusive Places of Service (effective 11/01/2023)
Effective Date	12/01/2020	

H. Resources

1. American Medical Association. *CPT Professional Edition 2026, AMA*; 2025.
2. Centers for Medicare & Medicaid Services. (2024). *Medicare claims processing manual* (Internet-Only Manual, Pub. 100-04, Ch. 26, § 10.6). U.S. Department of Health and Human Services. <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/clm104c26.pdf>
3. Centers for Medicare & Medicaid Services. (2026). *Physician fee schedule*. U.S. Department of Health and Human Services. <https://www.cms.gov/medicare/payment/fee-schedules/physician>