



# South Carolina

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## ***Medicare-Related Claims: Present on Admission Indicator—Institutional Billing***

On October 1, 2007, the Centers for Medicare & Medicaid Services (CMS) began requiring hospitals to use a Present on Admission (POA) indicator for every diagnosis for all patients discharged on or after that date. It is one of the requirements of the Deficit Reduction Act of 2005 that the Secretary of Health and Human Services (HHS) identify a limited number of high-cost and/or high-volume conditions that are reasonably preventable through application of evidence-based guidelines, and pay at a lower rate when Medicare claims show these conditions as present only on discharge and not on admission. Starting October 1, 2008, claims may receive a lower-paying Diagnosis Related Group (DRG) when one of the secondary diagnosis codes identified by CMS is present on discharge but not present on admission.

### ***What is the Present on Admission Indicator (POA)?***

Hospitals use the Present on Admission (POA) indicator to note a condition that is present at the time the order for inpatient admission occurs. The hospitals use one of the five values below that identify whether secondary diagnoses are present when the patient is admitted to a facility.

- **Y** = Yes
- **N** = No
- **U** = No information in the record.
- **W** = Clinically undetermined.
- **1** = Used on 4010A1 and 5010 versions of the 837 to represent a space or a blank and means the Diagnosis Code is exempt from reporting POA.
- **Blank** = Designates on the UB-04 Unreported/Not Used/Exempt from POA reporting.

### ***Does CMS require hospitals to use POA indicators on all Medicare claims?***

POA indicators must appear on all Medicare primary claims, paper and electronic, and all Medicare Advantage claims, paper and electronic. Medicare secondary claims do not need POA indicators.

### ***What are the diagnosis codes for which CMS requires hospitals to report a POA indicator?***

Here is a link to the CMS Web page that reports the selected diagnoses:

<http://www.cms.hhs.gov/HospitalAcqCond/>

### ***Because “Blank” is a valid value, will BlueCross BlueShield of South Carolina reject my claim if the “Blank” is intentional?***

“Blank” is a valid value only on the UB-04, so if BlueCross receives the claim as an electronic submission, a blank would represent an error. For a UB-04 submission, a blank POA indicator is probably not an error when one of the exempt institutions (i.e., critical access hospitals, long-term care hospitals, cancer hospitals and children’s inpatient facilities) submits the claim. If the institution is non-exempt, BlueCross may need clarification to determine if the provider left the POA indicator blank intentionally.



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## **Who should I contact with additional questions?**

Information on the CMS Present on Admission requirement is available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5499.pdf> or by contacting BlueCross BlueShield of South Carolina by:

- Sending an e-mail to your provider relations representative at [provider.education@bcssc.com](mailto:provider.education@bcssc.com).
- Visiting us online at [www.SouthCarolinaBlues.com](http://www.SouthCarolinaBlues.com).

Additional questions? Check out the [POA Fact Sheet](#).