

## **CMS Adds Place of Service to Allow Additional Flexibility in Delivering Medicare and Medicaid Healthcare Services to the Homeless**

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Earlier this month, the Centers for Medicare & Medicaid Services (CMS) quietly added “Outreach Site/ Street” as an allowable place of service (POS) code for Medicare and Medicaid providers to use in claims submission for “street medicine” services provided. The “Outreach Site/ Street” POS code allows physicians to seek Medicare reimbursement of such medically necessary professional services when they are delivered in a “non-permanent location on the street or found environment, not described by any other POS code, where health professionals provide preventative, screening, diagnostic, and/or treatment services to unsheltered homeless individuals.”<sup>[1]</sup> POS Codes are a required part of Medicare claims and claims with missing POS codes or inaccurate POS codes risk denial by Medicare contractors.<sup>[2]</sup>

CMS’s Medicare Transmittal 12554 characterizes street medicine services as Part B services and explains that physicians should be reimbursed a non-facility rate for the services rendered.<sup>[3]</sup> The transmittal also notes that details may be forthcoming in a future Medicare Learning Network publication. Such details may include guidance on modifier usage which could alter the payment rate. For example, if CMS instructs the use of a

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modifier such as -52 (reduced service) or -59 (distinct procedural service) to reflect the fact that the service is being performed in a setting less capital-intensive than an office, plans may opt to reduce reimbursement in kind.

The POS addition comes on the heels of the Biden Administration's announcement of a new initiative to tackle unsheltered homelessness.[4] While the announcement does not specifically reference street medicine, it does focus specifically on the "unhoused homeless," a specific type of homelessness to describe individuals living on the street, in creekside encampments, under freeway underpasses or other unsheltered environments as compared to those homeless that may be sheltered (i.e., living in a homeless shelter or other transitional housing).[5] Homeless Shelters have been an approved POS code since January 1, 2003, but the Homeless Shelter description[6] did not properly account for (and therefore allow reimbursement for) providers meeting the unhoused homeless to deliver care in their existing physical surroundings.

California's, Hawaii's, and Pennsylvania's Medicaid reimbursement of street medicine all predate the federal POS code addition, with California first implementing its billing mechanism for treating the unhoused in 2001.[7] The models were and continue to be successful in shifting services away from sick care delivered in hospital and emergency room settings and towards preventative and primary care services delivered wherever the unhoused might be living.[8] However, state specific, Medicaid changes are limited in their scope and reach compared to the recent CMS change. The additional POS code allows providers in all jurisdictions to seek reimbursement for their professional claims for services delivered to individuals enrolled in Medicare. The Medicare coding change is especially important as experts estimate older adults make up half of the homeless population.[9] We expect that Medicaid programs and Medicaid managed care plans are likely to follow suit and expand the reach of Medicaid reimbursement for street medicine as well.

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In addition to CMS’s actions, there is a proposed bipartisan bill, “DIRECT Care for the Homeless Act of 2023”, proposed in September by Representatives Lori Chavez DeRemer (R-OR) and Summer Lee (D-PA). This bill seeks to create a “four year pilot program within HHS which expands street medicine access for the unsheltered homeless.”<sup>[10]</sup> Specifically, the pilot codifies the same freedom of choice protections that Medicare and Medicaid enrollees enjoy when seeking care in a more traditional setting, waives prior authorization for street medicine providers, adds street medicine network adequacy requirements for Medicare and Medicaid managed care plans, and requires creation of a street medicine fee schedule and reimbursement process.<sup>[11]</sup> At the conclusion of the pilot program, the bill requires the Comptroller General of the United States to submit to Congress a report assessing the success of the street medicine pilot program.<sup>[12]</sup> The bill remains in committee after being referred there on September 12, 2023.<sup>[13]</sup> If the bill is enacted into law, we will publish another insight regarding the final law.

Federal action, whether by the Biden Administration or in the legislature, shows a national recognition of the homeless epidemic in the United States and a recognition of the unique health and social care interventions needed to adequately support this population. Changes such as the new POS code serve as a mechanism for providers to be adequately reimbursed for these interventions and represent another step towards advancing a more equitable healthcare system in the United States.

[1] <https://www.cms.gov/medicare/coding-billing/place-of-service-codes/code-sets>

[2] See [https://medicare.fcso.com/place\\_of\\_service/168258.asp](https://medicare.fcso.com/place_of_service/168258.asp) (explaining the necessity for reporting POS codes).

[3] <https://www.cms.gov/files/document/r12254cp.pdf>.

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[4] <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/18/fact-sheet-biden-harris-administration-announces-new-initiative-to-tackle-unsheltered-homelessness/>

[5] *See* <https://www.architecturaldigest.com/story/homeless-unhoused> (explaining the difference between unsheltered homeless and sheltered homeless)

[6] CMS defines the Homeless Shelter POS Code as “a facility or location whose primary purposes is to provide temporary housing to homeless individuals (e.g., emergency shelters, individual or family shelters).

[7] <https://kffhealthnews.org/news/article/street-medicine-cms-new-reimbursement-code/>

[8] <https://kffhealthnews.org/news/article/street-medicine-cms-new-reimbursement-code/>

[9] <https://leadingage.org/older-adults-are-half-of-nations-homeless-population/>

[10] [https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023\\_bill-text-9.12.pdf](https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023_bill-text-9.12.pdf)

[11] [https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023\\_bill-text-9.12.pdf](https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023_bill-text-9.12.pdf)

[12] [https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023\\_bill-text-9.12.pdf](https://chavez-deremer.house.gov/sites/evo-subsites/chavez-deremer.house.gov/files/evo-media-document/direct-care-for-the-homeless-act-of-2023_bill-text-9.12.pdf)

[13] <https://www.congress.gov/bill/118th-congress/house-bill/5387/all-act-ions?q=%7B%22search%22%3A%22DIRECT+Care+for+the+5+Homeless+Act+of+2023%22%7D&s=1&r=1>

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