



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

This policy is for site-of-care only. If a procedure requires prior authorization, this must still be obtained regardless of site of care.

Policy

The purpose of this policy is to provide clinical guidance for site of service redirection of select planned surgical procedures. It is the policy of Maryland Physicians Care (MPC) to apply criteria to determine whether an outpatient hospital site of service is medically necessary, or if a procedure may be safely and effectively performed at an alternate place of service (e.g., a network ambulatory surgery center). This policy applies to MPC members and addressed site-of-service redirection for network providers.

Certain procedures may also require a medical necessity review of the procedure using clinical criteria specific to the procedure, regardless of site of service (e.g., InterQual, MPC Medical Policy) (refer to plan preauthorization requirements). This policy takes into consideration the individual needs of the member and the availability of services in the contracted network, including the provider’s credentials to perform the procedure in an ambulatory surgery center, and their ability to meet the member’s needs. This policy takes into consideration the availability of ambulatory surgery centers within the geographical access standards required.

Policy Criteria

Surgery/Procedure Considerations: MPC uses CMS guidelines to assist in determining surgeries and procedures that may be appropriate for an Ambulatory Surgery Center setting. Refer to the link for the most up to date CMS Guidelines:

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates

Medical Considerations for members 18 years of age and older: MPC recognizes that outpatient surgery in an Ambulatory Surgery Center may not be an appropriate site of service for all members. The Outpatient/Hospital setting is considered medically necessary for members under any of the following indications/conditions/comorbidities, including, but not limited to:

1. Ambulatory Surgery Center does not have adequate resources to provide safe and effective or medically necessary timely surgical care (as stated/documentated by the surgeon or ASC).
2. American Society of Anesthesiologist® Physical Status (ASA PS) score is reviewed



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

and members with ASA® PS Score III or higher are considered for approval in a hospital-based setting.

3. Cardiovascular risk
 - a. New York Heart Association (NYHA) Class III or IV or decompensated heart failure
 - b. Coronary Artery Disease
 - i. Unstable coronary syndrome
 - Plain angioplasty within 90 days
 - Bare metal stents (BMS) placed within 90 days
 - Drug eluting stents (DES) placed within 1 year
 - Myocardial infarction within 30 months
 - c. Uncontrolled/difficult to control hypertension
 - d. Significant or new onset cardiac arrhythmia
 - e. Significant valvular heart disease
 - f. Implanted pacemaker/AICD
4. Neurological Risk
 - a. Cerebrovascular accident (CVA) or transient ischemic attack (TIA) within 3 months
 - b. Preexisting dementia or cognitive impairment (increased risk of post-operative delirium with use of psychoactive and sedative-hypnotic medications)
5. Endocrine Risk
 - a. Uncontrolled/difficult to control diabetes
 - b. Uncontrolled/difficult to control thyroid disease
 - c. Uncontrolled/difficult to control adrenal disease
 - d. Uncontrolled/difficult to control pituitary disease
6. Liver Risk
 - a. Liver disease with Model for End-State Liver Disease (MELD) Score >8
7. Pulmonary Risk
 - a. Severe chronic obstructive pulmonary disease (COPD) (FEV1<50%)
 - b. Uncontrolled asthma (active symptoms or FEV1 <80% despite treatment)
 - c. Moderate to severe obstructive sleep apnea (OSA), or OSA with unmanaged comorbidities
 - d. Moderately severe to severe restrictive lung disease (e.g., pulmonary fibrosis) (TLC # 60% of predicted)
8. Renal Risk
 - a. Severe (Stage 4) renal disease (estimated GFR 15-29 mL/min per 1.73m²)



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

- b. End state (Stage 5) renal disease (on dialysis)
- 9. Other medical conditions and situations
 - a. BMI > 50
 - b. BMI 40-50 with obesity-related condition or unmanaged comorbidities
 - c. Pregnancy
 - d. Bleeding disorder requiring replacement factor, blood products, or special infusion product (excluding DDAVP/Desmopressin)
 - e. Alcohol dependence
 - f. Recent history of drug abuse
 - g. Anesthesia complications (personal or family history)
 - h. Arterial or venous thromboembolism within 1 month
 - i. Post-operative ventilation anticipated
 - j. Transfusion anticipated
 - k. Significant blood loss anticipated
 - l. Surgery >3 hours anticipated
 - m. Difficult airway anticipated
 - n. History of *anaphylaxis* to medication, latex, or iodine
 - o. Significant geriatric frailty defined as 3 or more of the following:
 - i. Unintentional weight loss # 10 lbs. in prior years or 5% weight loss in prior year
 - ii. Weakness (grip strength in the lowest 20% at baseline)
 - iii. Poor endurance and energy
 - iv. Slowness (slow walking speed)
 - v. Low physical activity level
- 10. Additional medical considerations (require secondary medical review with a medical doctor for approval for an outpatient hospital setting):
 - a. Indications not listed, including other chronic unstable conditions affecting a major organ (heart, lung, liver, kidney, brain) that may predispose the member to complications.

Medical Considerations for members between 13 and 18 years of age: MPC recognizes that outpatient surgery in an Ambulatory Surgery Center may not be an appropriate site of service for all members. For select adolescent elective procedures (e.g., Adenoidectomy, Tonsillectomy, Tympanostomy, Tympanoplasty, Myringotomy, Septoplasty) the Outpatient Hospital setting is considered medically necessary for members under the following indications/conditions/comorbidities, including, but not limited:

1. Ambulatory Surgery Center does not have adequate resources to provide safe and



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

effective or medically necessary timely pediatric surgical care (as stated/documentated by the surgeon or ASC) including, but not limited to, the following:

- a. No available pediatric anesthesiology provider
- b. Pediatric surgical supplies not available
2. The member was assigned ASA PS Score of III or higher based on preoperative assessment.
3. Airway Risk
 - a. Known or anticipated airway management
4. Pulmonary Risk
 - a. Severe asthma (Asthma that is uncontrolled despite adherence with maximal optimized therapy and treatment of contributory factors, or that worsens when high dose treatment is decreased).
Note: Spirometry depends on patients' ability to carry out the test and it is not a reliable tool to assess airflow obstruction in children younger than 6 years old.
 - b. Severe obstructive sleep apnea syndrome (OSAS):
 - i. apnea-hypopnea index of 10 or more obstructive events/hour, oxygen saturation less than 80%, or both, OR
 - ii. use of CPAP or BiPAP
 - c. congenital pulmonary disease
5. Cardiac Risk
 - a. Cyanotic, palliated, or complex congenital heart failure
Note: Cardiac lesions, atrial septal defect (ASD), ventricular septal defect (VSD), or patent ductus arteriosus (PDA) that are hemodynamically insignificant are appropriate for an ASC
 - b. Known history of pulmonary hypertension
 - c. Diagnoses and symptomatic cardiac arrhythmia that has not ablated or requires a pacemaker
6. Endocrine Risk
 - a. Uncontrolled/difficult to control diabetes
 - b. Uncontrolled/difficult to control thyroid disease
 - c. Uncontrolled/difficult to control adrenal disease
 - d. Uncontrolled/difficult to control pituitary disease
7. Renal Risk
 - a. Severe (Stage 4) renal disease (estimated GFR 15-29 mL/min per 1.73²) Note: GFR values for CKD staging for children older than 2 years of age because the GFR values for younger children are low due to ongoing renal maturation.



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

- b. End state (Stage 5) renal disease (on dialysis)
- 8. Hematological Risk
 - a. Bleeding disorder requiring replacement factor, blood products, or special infusion product (excluding DDAVP/Desmopressin)
 - b. Blood dyscrasia (e.g., sickle cell disease, beta thalassemia major)
 - c. Any transfusion dependent disease
- 9. Syndromic/Genetic Risks
 - a. Craniofacial syndrome (s) with known association or history of difficult airway
 - b. Any family history of malignant hyperthermia, muscular dystrophy, or myopathy (unless genetically tested as being negative for disease process)
 - c. Mucopolysaccharidoses
 - d. Mitochondrial Disease
 - e. Myotonic Dystrophy
 - f. Congenital neuromuscular disease
 - g. Congenital cardiovascular disease
- 10. Other indications/conditions/comorbidities
 - a. Former premature infants less than 35 weeks gestation age who are less than 1-year postnatal age
 - b. BMI > 30
 - c. Pregnancy
 - d. Alcohol dependence
 - e. Recent history of drug abuse or history of drug addiction and is currently prescribed antidote medications
 - f. Severe psychiatric illness (e.g., schizophrenia, PTSD, bipolar, suicide ideations)
 - g. Severe behavioral disorder (e.g., severe agitation/disruptive behaviors, or requires restraints in public)
 - h. History of *anaphylaxis* to medication, latex, or iodine
 - i. Anesthesia complications (personal or family history)
- 11. Surgical Risk
 - a. Post-operative ventilation anticipated
 - b. Transfusion anticipated
 - c. Significant blood loss anticipated
 - d. Surgery >3 hours anticipated
 - e. Post-operative 23-hour observation stay anticipated/required
 - f. Craniofacial abnormalities (e.g., Down Syndrome, Pierre Robin syndrome,



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

etc.)

12. Additional medical considerations (require secondary medical review with a medical director for approval for an outpatient hospital setting):
 - a. Indications not listed, including other chronic unstable conditions affecting a major organ (heart, lung, liver, kidney, brain) that may predispose the member to complications.

Documentation requirements include, but are not limited to, physician notes with all pertinent clinical information:

1. To support medical necessity for site of service in the outpatient hospital setting.
2. To support medical necessity for procedures that also require a medical necessity review using clinical review criteria to the procedure regardless of site of service.

Monitoring Site of Service Denials

Quarterly monitoring of Site of Service Denials is conducted by the management company. Upon completion of the Grievance, Appeal, and Denial Reports, the management company reviews the Quarterly Denial Listings for Site of Service Denials. A denial report is developed and reviewed to allow for identification of trends (specific services or providers/practices). The report is reviewed during the subsequent Service Improvement Committee (SIC) meeting. Any recommended action from the SIC regarding identified trends is assigned to the appropriate department (e.g. Provider Management contacting provider to discuss appropriate Site of Service).

Definitions

American Society of Anesthesiologists® Physical Status (ASA PS) Score (American Society of Anesthesiologists, 2018)

- ASA I: A normal healthy patient
- ASA II: A patient with mild systemic disease
- ASA III: A patient with severe systemic disease but isn't incapacitating
- ASA IV: A patient with severe systemic disease that is a constant threat to life
- ASA V: A moribund patient who is not expected to survive without operation
- ASA VI: A declared brain-dead patient whose organs are being removed for donor purpose

Medical Necessity Review: A process to consider whether a covered service is clinically appropriate based on evidence-based clinical standards of care. Medically necessary services are accepted health care services provided by health care entities, appropriate to evaluation



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
Reviewed/Revised Date: 05/13/2026
Original Effective Date: August 2022

and treatment of disease, condition, illness, or injury (NCQA).

Planned Surgical Procedure: A surgical procedure not done on an emergency basis that has been scheduled for a future date.

Site of Service:

- 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 (Place of Service Code, 11) (Centers for Medicare & Medicaid Services, 2021).
- Off 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 (Place of Service Code, 22) (Centers for Medicare & Medicaid Services, 2021).
- Ambulatory Surgery Center (ASC): A freestanding facility, other than a physician's office, that operates for the purpose of providing surgical services to patients on an ambulatory basis, not requiring hospitalization and in which the expected duration of services would not exceed 24 hours following an admission (Place of Service Code, 24) (Centers for Medicare & Medicaid Services, 2021).

MPC Access Standards: Geographical access for core specialty types, including surgery, are as follows:

- In urban areas, within 30 minutes or 15 miles;
- In suburban areas, within 60 minutes or 45 miles; and
- In rural areas, within 90 minutes or 75 miles (COMAR 10.67.05.06).

Coding Disclaimer

CPT Copyright 2023 American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association.

Note: The following CPT/HCPCS codes are included below for information purposes and may not be all-inclusive. Inclusion or exclusion of a CPT/HCPCS code(s) below does not signify or imply that the service described by the code is a covered or non-covered health service. The inclusion of a code does not imply any right to reimbursement or guarantee of payment. Other policies and coverage determination guidelines may apply.

Note: **All inpatient admissions require preauthorization.**



Site of Service – Outpatient Surgical Procedures

Policy Number: PA 27 Review
 Reviewed/Revised Date: 05/13/2026
 Original Effective Date: August 2022

Coding Information

CPT CODES	DESCRIPTION
Multiple Codes	Refer to CMS Guidelines located at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/11_Addenda_Updates

References

Revision Log

Effective Date	August 2022
Annual review no changes	February 2023
Changes made to Pediatric Criteria	December 2023
Review and Revised: Updated CPT disclaimer to the 2023 version	February 2024
Annual review, no revisions necessary	February 2025
Annual review; updated CPT Codes description	February 2026
Reviewed; added section for site of service denial monitoring	May 2026