



PROVIDER ALERT

OMHC Reminder: Not Eligible to Bill POS 22

August 17, 2026

Target Audience: OMHC Providers

The Maryland Department of Health and Carelon are issuing this alert to remind Outpatient Mental Health Centers (OMHC) that **OMHC claims may not be submitted with Place of Service 22.**

This notice is a reminder of existing Maryland Medicaid reimbursement requirements. It does not establish a new coverage policy.

Policy:

- [COMAR 10.09.59.04B\(4\)](#) requires an OMHC participating in Maryland Medicaid to comply with COMAR 10.63.03.05.
- [COMAR 10.63.03.05A](#) states that an OMHC must provide service in a community-based setting.
- [COMAR 10.63.01.02B\(14\)](#) states “community-based” means the setting of a program that is not located in a hospital.
- [CMS Place of Service Codes](#) define Place of Service (POS) 22 as an on-campus outpatient hospital setting.

Accordingly, claims submitted by or under an OMHC using POS 22 represent outpatient mental health services provided in a hospital setting and are not reimbursable under the OMHC benefit.

Provider Action:

Carelon has identified OMHC claims that were submitted and paid with POS 22. Providers must review their claims and complete the appropriate corrective action within 30 calendar days from the date of this alert. Moving forward, OMHC providers must immediately discontinue submitting claims with POS 22.

When POS 22 Was Reported in Error:

When the OMHC service was actually provided in an allowable non-hospital setting, and POS 22 was incorrectly reported, please submit a corrected claim:

1. Correct the place of service so that it accurately reflects the location where the service was provided.
2. Submit a corrected claim within 30 calendar days.



3. Reference the original claim and use the appropriate claim-frequency indicator in accordance with Carelon's corrected claim procedures.
4. Retain documentation supporting the actual service location and the correction.

When the Service Was Provided in a Hospital:

When the participant was actually in a hospital at the time the outpatient mental health service was provided, the claim is not reimbursable under the OMHC benefit.

1. Submit a voided claim or otherwise return the payment in accordance with Carelon's claims-adjustment procedures.
 - a. The provider may not change the place of service and resubmit the claim using a code that does not accurately represent the service location.

Recoupment:

Carelon will recoup payment for any affected OMHC claim that is not properly corrected or voided within 30 calendar days from the date of this alert.

Please see the following references for additional information and guidance:

- [COMAR 10.09.59.04B\(4\)](#)
- [COMAR 10.63.03.05A](#)
- [COMAR 10.63.01.02B\(14\)](#)
- [CMS Place of Service Code Set](#)
- [PBHS Provider Manual](#)
 - Section 12.07, Recoupment/Offset/Adjustment for Overpayments
 - Section 15.05, Corrected Claims

Thank you,

The Carelon Maryland Team