Appendix E(b) [OPPS flag = 2]
Logic for Assigning Non-OPPS Hospital Payment Method Flag Values
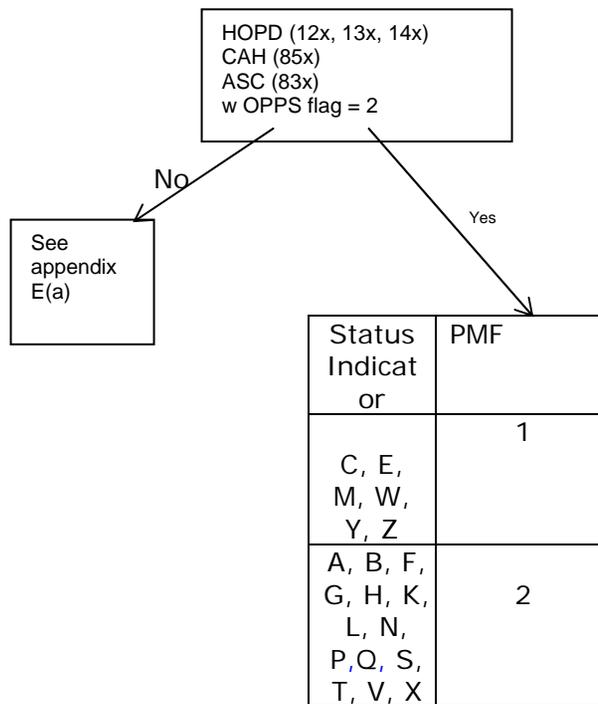
Payment Method Flag (PMF)
0 -   OPPS pricer determines payment for service
1 -   Based on OPPS, Coverage or Billing rules, the service is not paid
2 -   Service is not subject to OPPS
3 -   Service is not subject to OPPS, and has an OCE line item denial or rejection
4 -   Line item is denied or rejected by FI; OCE not applied to line item

```
HOPD (12x, 13x, 14x)
CAH (85x)
ASC (83x)
w OPPS flag = 2
```

No →
```
See
appendix
E(a)
```

Yes →

Status Indicator	PMF
C, E, M, W, Y, Z	1
A, B, F, G, H, K, L, N, P,Q, S, T, V, X	2

1. *If the claim is not processed (claim processed flag is greater than 0), the PMF is not set and is left blank.*
2. *If the line item denial or rejection flag is 1 or 2, and the PMF has been set to 2 by the process flowcharted here, the PMF is reset to 3.*
3. *If the line item action flag is 2 or 3 the PMF is reset to 4.*
4. *If the line item action flag is 4, the PMF is reset to 0.*