



Kansas City

An Independent Licensee of the Blue Cross and Blue Shield Association

# Facility Routine Supplies and Services

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## **Policy**

Blue Cross and Blue Shield of Kansas City (Blue KC) will not provide separate payment to facilities for charges that are not separately billable or reimbursable as outlined below.

Correct coding and code definitions apply in all circumstances and to all provider types. Whenever a code is billed which includes another service or supply, whether by code definition or by coding guidelines, the included service or supply is not eligible for separate reimbursement.

Surgical and medical supplies are used in the course of services performed/care provided by physicians and other professional providers in the facility.

Many supply items have HCPCS codes. Despite this, supply items are included in the allowable amount calculation for the primary service or facility fee for which they were used and are not eligible for separate reimbursement, with limited exceptions. Billing of both services provided and the associated supplies used must follow correct coding and billing guidelines. This document is provided to clarify Blue KC's policy on reimbursement for routine supplies provided during the course of treatment.

In the facility setting, routine medical and/or surgical supplies are not separately billable on the facility claim. Routine supplies include items normally found in floor stock, items customarily used in the course of treatment, items considered incident to a physician service (e.g. status indicator A), reusable supplies, equipment (whether facility-owned or rented), and items directly related to and/or integral to the performance of services reported elsewhere on the claim. Routine supplies should not be separately billed to a patient.

## **A. General Policies for All Settings**

### **1. Flushes, Diluents, Saline, Sterile Water, etc.**

Per CPT and CMS6 guidelines, heparin flushes, saline flushes, IV flushes of any type, and solutions used to dilute or administer substances, drugs, or medications are included in the administration service. These items are considered supplies and are not eligible for separate reimbursement. Despite the fact that J1642 (Injection, heparin sodium, (heparin lock flush), per 10 units) describes heparin flushes, heparin flushes are not considered a “drug” and are not eligible for separate reimbursement under the fee schedule or provider contract provisions for drugs.

This applies to all provider types in all settings. In most cases payment for these supplies is included in the administration charge which is reportable with a CPT or HCPCS code.

In the hospital setting, the administration service is included in the room charge or facility fee, and reimbursement for these supplies is included in the reimbursement for the eligible services.

### **2. 99070 for Reporting Supplies, Materials, Supplements, Remedies, etc.**

Correct coding guidelines require that the most specific, comprehensive code available be selected to report services or items billed. Blue KC accepts HCPCS codes for processing. Therefore, 99070 is rarely the most specific code available to use to report a supply, drug, tray, or material provided over and above those usually included in a service rendered. Any HCPCS Level II code in the HCPCS book is more specific than 99070. The HCPCS book also includes a wide variety of more specific unlisted codes that should be used in place of 99070 when the billing office cannot identify a listed HCPCS code to describe the supply or material being billed.

### **3. Capital Equipment**

Capital equipment is used in the provision of services to multiple patients and has an extended life. This equipment is considered a fixed asset of the facility. This equipment or the use of that equipment may not be separately billed.

Where specific procedure codes exist, the services provided with that equipment may be billed as appropriate (e.g. x-rays, dialysis) and in accordance with correct coding and billing guidelines (e.g. no unbundling of

oximetry checks, or fluoroscopy in the OR). If specific procedure codes do not exist, in most cases the services provided by that equipment are included in a larger, related service, and are not eligible for separate reimbursement (e.g. thermometer).

Equipment used multiple times for multiple patients (should be part of facility charge) and is not separately billable or reimbursable.

Examples of non-billable capital equipment:

- Cardiac monitors
  - Cautery machines
- Oximetry monitors
- Scopes
- Lasers
- IV pumps
- Thermometers
- Automatic blood pressure machines and/or monitors
- Anesthesia machines
- Cell Saver equipment
- Instruments
- Microscopes
- Cameras
- Rental equipment
- Neurological Monitors in OR

## **B. For Facilities**

Facilities will not be reimbursed nor allowed to retain reimbursement for services considered to be non-reimbursable. The following are general categories and lists of examples of facility charges that are not separately billable or reimbursable, including but not limited to:

### **1. Routine Supplies**

Routine supplies are defined as those items which are included in the general cost of the room where the service is being delivered, i.e., patient room, operating room, cast room, etc., or as part of the procedure performed. These items are generally made available to a patient receiving service in that particular setting. Supplies defined as routine are not separately billable from the room or procedure charge as ancillary services. Their costs are reimbursed as part of the overall/procedure costs.

These items, if identified on a claim or itemized bill, are not eligible for separate reimbursement, and are not eligible to be included in outlier calculations for additional reimbursement.

Routine supplies should not be billed in the non-covered charge column on the UB-04. The costs for the routine supplies are covered, because they are factored into the setting or procedure charge. Although they are covered, they are not billed separately.

The following guidelines may assist facility personnel in identifying items, supplies and services that are not separately billable. This is not an all-inclusive list of instructions.

- a. Any supplies, items, and services that are necessary or otherwise integral to the provision of a specific service and/or to the delivery of services in a specific location are considered routine services and not separately billable in the inpatient and outpatient environments
- b. All items and supplies that may be purchased over-the-counter are not separately billable
- c. All reusable items, supplies and equipment that are provided to all patients during an in or outpatient admission are not separately billable.
- d. All reusable items, supplies, and equipment that are provided to all patients admitted to a given treatment area or unit (i.e. NICU, Burn Unit, PACU, Medical/Surgical) are not separately billable.
- e. All reusable items, supplies and equipment that are provided to all patients receiving the same service (i.e., an Ambu bag during resuscitation) are not separately billable.

Examples of routine supply items not separately billable are as follows (list is not all-inclusive):

- Personal convenience supply items
- Gowns used by staff
- Gloves used by staff
- Masks used by staff
- Oxygen when not specifically used by the patient
- Items ordinarily used for or on most patients in that area or department
- Thermometers
- Patient gowns
- Items commonly available to patients in a particular setting (e.g. stock or bulk supply)
- Equipment commonly available to patients in a particular setting or ordinarily furnished to patients during the course of a procedure, whether facility-owned or rented, and supplies used in conjunction with this equipment
- Oxygen masks and oxygen supplies

- Drapes
- Preparation kits
- Any linen
- Syringes
- Saline solutions
- Irrigation solutions
- Reusable items
- Cardiac monitors
- Oximeters
- IV pumps
- IV tubing
- Blood pressure monitors and/or cuffs
- Thermometers
- Ice bags or packs
- Heat light or heating pad
- Wall suction
- Admission, hygiene, and/or comfort kits or items
- Restraints
- Reusable equipment and items  
Items used to obtain a specimen or complete a diagnostic or therapeutic procedure

Reimbursement for recovery room services (time or flat fee) includes all used and or available services, equipment, monitoring, nursing care that is necessary for the patient's welfare and safety during his/her confinement. This includes, but is not limited to EKG monitoring, Dinamap®, pulse oximeter, injection fees, nursing, nursing time, nursing supervision, equipment and supplies (whether disposable or reusable), intermittent compression devices, defibrillator, and oxygen. Separate reimbursement for these services will not be made.

Items which do not appear on this list *may or may not* be eligible for separate reimbursement, depending upon whether they are considered routine supplies and other additional factors.

## 2. Components of Room and Board

Blue KC considers components of room and board charges as not separately reimbursable. Facilities will not be reimbursed nor allowed to retain reimbursement for services considered to be non-reimbursable.

### a. Nursing care

Nursing care and treatment that are within the scope of normal nursing practice including, but not limited to:

- Admission assessment
- Monitoring of patients
- IV insertion, including lidocaine for IV insertion and saline flushes, assessments, infusion of fluids.
- Medication administration
- Blood Administration (transfusions)
- TPN administration through a central line
- Any respiratory treatment (medications may be separately charged) including, but not limited to:
  - Sputum inductions, bronchial hygiene or airway clearance treatments
  - Incentive spirometry
  - Nebulizer treatment
  - Administration of mucolytics
  - Placement of masks for nebulized medications
- Urinary catheterization, nasogastric tube ("NGT") insertion, dressing changes, tube feedings
- Point of care testing, such as urine dip stick, glucometry testing, mobile computer devices such as, but not limited to, those used for the analysis of blood gases, electrolytes, metabolites and urinary retention, and insertion of peripheral IV lines.
- Assisting with bedside procedures performed by physicians or other qualified healthcare professionals.
- Pre-op holding for surgery
- Surgical prep for procedures
- Hemodynamic monitoring
- Incremental nursing care – (1:1, ICU/CCU setting, etc.)

b. Floor stock (routine supplies)

- Urine culture kits
- Alcohol wipes
- Cotton balls
- Thermometers
- Gloves
- Bedpans
- Patient gowns
- Sitz baths
- Breast pump
- Diapers
- Kits containing routine supplies such as alcohol wipes, cotton balls, etc.

### 3. Lab/Pharmacy Services

Blood draws from capillary, arterial or vascular access devices regardless of practitioner performing the draw and regardless of whether arterial, venous or capillary blood is drawn. Each blood draw or collection is part of the lab test and is not separately reimbursable. This may include, but not limited to:

- Arterial lines

- Peripheral lines, short or midline
- Capillary blood collection with lancet or finger-stick devices
- Central lines:
  - Peripherally inserted (PICC)
  - Tunneled central venous catheter
  - Percutaneous non-tunneled
  - Implanted port
- Pharmacy consultations for medication management or patient education
- Low Osmolar Contrast material for inpatient or outpatient radiology procedures

### 4. Central Supply

- Telemetry batteries, leads
- Batteries for any equipment used during any procedures

### 5. Equipment

A required component of a specific level of care and the calibration of instrumentation. See also Capital Equipment, section A.3.

- Cardiac monitors (e.g. in an NICU setting, ICU/CCU, Telemetry or StepDown, OR and Recovery Room, etc.)
- Oximetry (e.g. in an NICU setting, ICU/CCU, OR, Recovery Room, Emergency Department, etc.)
- Arterial and Swan-Ganz monitors (e.g. in an NICU setting, ICU/CCU, OR, Recovery Room, etc.)
- CO2 End Tidal Monitors, in-line or transcutaneous, or humidified air (e.g. for patients on ventilator, in the OR, etc.)
- Fetal monitors (e.g. in a labor room setting, etc.)
- Transesophageal Echo (TEE) Monitors during Open Heart Surgery (TEE equipment is mandatory in the Open Heart Room, excluding NICU)
- Ventilator (e.g. in OR, Recovery Room, etc.)
- Cell Saver equipment (e.g. in OR, etc.)
- Neurological monitors (e.g. in OR, ICU, etc.)

## 6. Respiratory Therapy

- Ventilator adjustments if performed by RN
- Ventilator System checks by respiratory therapist
- O2, CPAP, PEEP charges when patient is on ventilator support
- Ventilator weaning and extubation
- Patient's own CPAP/BiPAP machine services
- Respiratory Assessment with treatments
- Oximetry Trending when done by routine monitor
- Endotracheal Suctioning when done with treatments or on ventilator
- Surfactant administration when done by the physician

## **Policy Implementation/Update Information**

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9/1/2018 New policy

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State and Federal mandates and health plan contract language, including specific provisions/exclusions, take precedence over Medical Policy and must be considered first in determining eligibility for coverage. The medical policies contained herein are for informational purposes. The medical policies do not constitute medical advice or medical care. Treating health care providers are independent contractors and are neither employees nor agents Blue KC and are solely responsible for diagnosis, treatment and medical advice. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, photocopying, or otherwise, without permission from Blue KC.