

cmi_115624

Title	Contract Exclusions/Disallowed Charges – Inpatient and Outpatient Facility Services		
Number	CP.PP.419.v2.4		
Last Approval Date	05/14/24	Original Effective Date	01/11/10
Cross Reference			

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

Purpose	To define inpatient and outpatient facility charges which are considered not separately reimbursable by the Plan that are submitted on a UB-04/CMS-1450 paper claim form or an 837I electronic claim form.
Scope	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premera Blue Cross HMO lines of business and products. Medicare Advantage products are not subject to this policy.
Definitions	<u>Charges That Are Not Separately Reimbursable</u> - refers to charges that are intrinsically and/or customarily included in room and board or as part of another procedure or service.
Policy	<p>The following list identifies inpatient and outpatient facility charges that are not reimbursed by the Plan. These services will be identified in either a pre-payment or a post-payment hospital claim audit review of hospital charges.</p> <p><u>NOTE: This list should not be considered the definitive list of all services.</u></p> <p>The broad categories below represent <u>examples</u> of services considered included in the main category based on industry criteria. These examples of excluded/disallowed charges which are not reimbursed include, but are not limited to, the following:</p> <p><u>Blood and Blood Product Administration Service:</u></p> <ul style="list-style-type: none"> • Documentation and preparation of blood products • Administrative costs for processing and storage of blood • Blood administration/transfusions and monitoring of patient <p><u>Nursing care and treatment that is within the scope of normal nursing practice and services provided by facility personnel which are considered part of room and board charge or part of an outpatient service or procedure:</u></p> <ul style="list-style-type: none"> • IV Starts, IV Administration, IV Push, IV flush (e.g., Heparin) and, assessments, dressing changes, infusion of fluids • PICC Line insertion

- Small volume fluids used as a diluent to mix a drug (e.g., the fluid in the vehicle in which the drug is administered such as sterile water, dextrose, sodium chloride solutions)
- Monitoring of Patients
- Urinary catheterization
- Nursing/tech time
- Pre-Op holding for inpatient or outpatient surgery/surgical preparation
- Syringe pump testing
- Hemodynamic monitoring
- Admission assessment
- Incremental nursing - 1:1 and ICU/CCU setting
- Medication administration including vaccines, subcutaneous and intramuscular
- Nasogastric tube insertions
- Point of care/bedside testing (such as blood count, arterial blood gas, clotting time, glucose monitoring, glucometers, urine dipsticks, hemoglobin/hematocrit, etc.)
- Bladder scans
- Dietary services
- Minor medical/surgical supplies
- Medical and psychiatric social services
- Personal care items
- Oximetry
- Dietary and related nursing services
- Medical and Psychiatric social services
- Outpatient services billed while patient is Inpatient
- Notwithstanding the forgoing, one venipuncture charge per day allowed

Equipment which are a required component of a specific level of care room charge:

- Oximetry Monitors
- Oxygen per day/hour charges when patient confined in a special care unit (e.g., OR, ICU, CCU, Recovery Room) or part of an outpatient surgical procedure or service
- Cardiac monitors in an ICU/CCU setting, NICU Telemetry or Step Down, Operating Room and Recovery Room
- Arterial and Swan Ganz monitors in an ICU/CCU setting, NICU, Operating Room and Recovery Room
- Fetal monitors in a labor room setting
- CO2 End Tidal Monitor - Patients on Ventilator, Operating Room
- TEE Monitors during Open Heart Surgery (Transesophageal Echo equipment required in the Open-Heart Room)
- Fluoroscopy/Ultrasound/Vascular Access Guidance for procedures
- Notwithstanding the forgoing,
 - C02 End Tidal Monitor-Patients on Ventilator, Operating Room NICU charges allowed when billed in conjunction with ventilator management and/or NICU Operating Room charges

Equipment which is considered a required component of a specific service and/or procedure:

- Anesthesia machines
- Arterial/Swan Ganz monitors
- Automatic blood pressure machines and/or monitors
- Blades
- Cameras
- Cardiac monitors
- Case/Crash Carts
- Cautery machines
- C-Arm/Fluoroscopy
- Cell Saver equipment
- CO2 End Tidal monitors
- Drills/saws/blades used in the OR
- Fetal monitor
- Feeding Pumps
- Flow Meters
- Glucometers
- Instruments
- IV pumps/tubing
- Lasers
- Microscopes
- Neurological Monitors
- Oximetry monitors
- PCA Pump/Pain Pump
- Perfusion equipment and supplies in OR when billed in conjunction with perfusionist time increments
- Procedure specific tool kits/instruments rented, loaned or purchased
- Rental equipment
- Retractors
- Scopes
- Thermometers
- Ventilators

Operating Room/Surgical Suite (Both Inpatient and Outpatient):

- Pre-operative care levels,
- Operating Room set-up charges and equipment (NICU charges excluded) such as, but not limited to:
 - use of the operating room
 - linen packs, scopes, sterile instruments, special/custom surgical tools and instrument packs and trays used as part of surgical procedure(s)
 - post-op dressings, equipment and sterile supplies such as but not limited to sutures, gloves, dressings, sponges, prep kits, drapes and surgical attire, Ambu Bags, PICC lines, irrigation lines, skin staplers, skin adhesive, burrs, packing, needles, IV sets, closure devices and tubing
- Personal care items used for patient conveniences and items needed as a direct result of a procedure or test considered not reimbursable (e.g., such as, but not limited to, deodorant, dry bath, dry shampoo, lotion,

mouthwash/oral rinses, powder, soap, telephone calls, television, tissues, toothbrush/toothpaste, bedpans, hot water bottles, icepacks, pillows, sitz baths, urinals, professional manicures, hair styling, etc.)

- Services of qualified facility employed professional and technical personnel (Reimbursement included in room and board procedure or observation charge)
- After hours/call back if facility has 24-hour coverage
- Notwithstanding the forgoing, NICU Cannulation for ECMO (Ligation of Patent Ductus Arteriosus in patient under approximately 1000 grams) allowed.

Medical/Surgical Supplies:

- Supplies considered integral to patient care (e.g., wipes, swabs, bed pans, etc.)
- Telemetry battery
- Cardiac monitors
- Foley/Straight Catheters
- Catheter Guidance/Guidewires
- Foley Stat Lock
- Irrigation Supplies
- Syringes
- Wall Suction
- Any supplies, items, and services that are necessary or otherwise integral to the provision of a specific service and/or the delivery of services in a specific location in the inpatient and outpatient environments
- All items and supplies that may be purchased over the counter (OTC)
- All reusable items, supplies, and equipment that are provided to all patients during an inpatient or outpatient admission are not separately reimbursable
- All reusable items, supplies and equipment that are provided to all patients admitted to a given treatment area or unit (e.g., NICU, Burn Unit, PACU, Medical/Surgical Unit), as well as all reusable items, supplies, and equipment that are provided to all patients receiving the same service (e.g., an Ambu bag during resuscitation)

Respiratory Services:

- Ventilatory support management and maintenance
- PEEP/CPAP/O2 when patient is on ventilator support
- Pulmonary services such as management of nebulizers/breathing treatments, mechanical chest physiotherapy, swallow testing, IPPB therapy, Nebulizer treatments
- Weaning and extubating of patient off ventilator
- Point of care testing
- After hours/call back if facility has 24-hour coverage

Radiology:

- Services of qualified facility employed professional and technical personnel
- Fluoroscopy/Ultrasound/Vascular access guidance for procedures

	<ul style="list-style-type: none"> • Contrast materials (e.g., Gadoteridol, LOCM, Gastrogafen, Gadoterate, Iohexol) • Radiopharmaceuticals (e.g., Technetium Tc-99m) • After hours/call back if facility has 24-hour coverage <p><u>Lab:</u></p> <ul style="list-style-type: none"> • Transportation fees related to specimen pickups/handling fees • Blood draws from capillary puncture, arterial or vascular devices • Point of care testing (e.g., Urine dipstick, glucometer, mobile device testing, etc.) • Services of qualified facility employed professional and technical personnel • After hours/call back if facility has 24-hour coverage • Notwithstanding the forgoing, one Venipuncture charge per day allowed <p><u>Emergency Room Supply and Service Charges:</u></p> <ul style="list-style-type: none"> • All monitoring, equipment, supplies, time, and staff charges • IV Starts, IV Administration, IV Push, IV flush and assessments, dressing changes, infusion of fluids <p><u>Pharmacy Services furnished to patients or other departments:</u></p> <ul style="list-style-type: none"> • Administration, documentation, and preparation of drugs in an inpatient setting • Consultation and advice to medical staff and nursing staff on drug therapy • Materials necessary for the preparation and administration of drugs such as small volume fluids used as a diluent to mix drugs (e.g., sterile water, Normal Saline, Dextrose, Sodium Chloride, etc.) • Contrast materials, topical anesthetics, irrigation fluids • Radiopharmaceuticals (e.g., Technetium Tc-99m) • Services rendered by registered pharmacists and other pharmacy personnel (e.g., mixing fees, facility staff checking and restocking the Pharmacy cart) • Anesthetic products related to anesthesia maintenance, anesthesia related to surgical procedure and anesthetic reversal agents
Violations of Policy	<p>Violations of this policy by any party that enters a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be appropriate to the seriousness of the violation and shall be determined at Plan’s sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
Exceptions	
Laws, Regulations & Standards	N/A
References	<ul style="list-style-type: none"> • CMS Publication 15.1 – Provider Reimbursement Manual-Part 1, Chapter 22- Determination of Cost of Services to Beneficiaries

	<ul style="list-style-type: none"> • Revised Code of Washington (RCW) 18.79 – Nursing Care • Washington Administrative Code (WAC) 246-840 – Practical and Registered Nursing • Washington Department of Health (DOH) Accounting and Reporting Manual for Hospitals • CMS Publication 100-02 Medicare Benefits Policy Manual, Chapter 16-General Exclusion from Coverage, Section 80-Personal Comfort Services • CMS Publication 100-04, Chapter 4-Part B Hospital (Including Inpatient Hospital Part B and OPPTS), Section 240-Inpatient Part B Hospital Services • Washington State Health Care Authority, “Inpatient Hospital Services Billing Guide”, February 1, 2024
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Policy Owner Review	Payment Integrity Oversight Committee	
Contact	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
Annual Review Dates	05/14/24; 04/11/24; 02/05/24; 07/07/23; 10/13/22; 11/01/21; 10/06/20; 12/04/19; 10/11/19; 08/09/18; 10/19/17; 10/19/16; 10/25/15; 10/26/14; 11/03/13; 11/12/12, 12/01/11; 12/02/10	
Version History	08/09/18	Annual review; no changes
	10/11/19	<p>Effective with dates of service 03/01/2020 and after, the following additional services and service categories will be considered not separately reimbursable:</p> <p>Additional services and service categories added in the following sections:</p> <ul style="list-style-type: none"> • Blood and Blood product administration services • Nursing care and treatment expanded to include outpatient services such as: <ul style="list-style-type: none"> ○ Injections, subcutaneous and intramuscular ○ Nasogastric tube insertions ○ Point of care/bedside testing (such as blood count, arterial blood gas, clotting time, glucose monitoring etc.), bladder scans ○ Dietary services ○ Minor medical/surgical supplies ○ Medical and psychiatric social services ○ Venipuncture performed by a Nurse • Equipment considered required component of level of care room charge • Operating Room/Surgical suite-expanded to include Outpatient services: <ul style="list-style-type: none"> ○ Use of OR, professional and technical personnel and related surgical medical supplies, personal care items • Central Supplies issued to other departments

		<ul style="list-style-type: none"> • Emergency Room supply and service charges • Pharmacy Charges furnished to patient
	12/04/19	Revision to the Pharmacy Charges section to remove conflicting statement
	10/06/20	<ul style="list-style-type: none"> • Clarified the Purpose statement to indicate that the policy pertains to Facility services billed on a CMS-1450/UB-04 paper claim or 837I electronic claim forms • In the “Nursing Services” section, clarified the last bullet regarding “venipuncture” charges • In the “Operating Room/Surgical Suite” section clarified that the professional and technical services are those for “facility employed” personnel
	11/01/21	<p>Added and/or modified the following sections to provide for clarification on non-reimbursable services:</p> <ul style="list-style-type: none"> • <u>Blood and Blood Product Administration:</u> <ul style="list-style-type: none"> ○ Administrative costs for processing and storage of blood ○ Blood administration • <u>Nursing care and treatment within scope of normal nursing practice:</u> <ul style="list-style-type: none"> ○ Small volume fluids used as a diluent to mix a drug ○ Venipuncture, one per day allowed ○ Oximetry ○ Nursing/respiratory care performed while patient is on • <u>Equipment which are required component of a specific level of room charge:</u> <ul style="list-style-type: none"> ○ Ventilators in an ICU/CCU setting, NICU ○ Fluoroscopy ○ Identified services allowed when rendered in the NICU • <u>(NEW SECTION ADDED) Equipment which is considered a required component of a specific service and/or procedure</u> • <u>Medical/Surgical Supplies:</u> <ul style="list-style-type: none"> ○ Cardiac monitors ○ Foley/Straight Catheters ○ Foley Stat Lock ○ Irrigation Supplies ○ Syringes ○ Wall Suction ○ Any supplies, items and services that are necessary or otherwise integral to the provision of a specific service and/or the delivery of services in a specific location in the inpatient and outpatient environments. ○ All items and supplies that may be purchased over the counter.

		<ul style="list-style-type: none"> ○ All reusable items, supplies and equipment that are provided to all patients during an inpatient or outpatient admission are not separately reimbursable. All reusable items, supplies and equipment that are provided to all patients admitted to a given treatment area or unit (e.g., NICU, Burn Unit, PACU, Medical/Surgical Unit), as well as all reusable items, supplies and equipment that are provided to all patients receiving the same service (e.g., an Ambu bag during resuscitation) ● <u>Radiology:</u> <ul style="list-style-type: none"> ○ Services of qualified facility employed professional and technical personnel ● <u>Lab:</u> <ul style="list-style-type: none"> ○ Services of qualified facility employed professional and technical personnel ○ Notwithstanding the forgoing, one Venipuncture charge per day allowed ● <u>Pharmacy Services furnished to patients:</u> <ul style="list-style-type: none"> ○ Materials necessary for the preparation and administration of drugs such as small volume fluids used as a diluent to mis drugs (e.g., Sterile water, Dextrose, Sodium Chloride, etc.)
	10/13/22	Annual review; no changes
	07/07/23	<p>Added and/or modified the following sections to provide for clarification on non-reimbursable services:</p> <ul style="list-style-type: none"> ● <u>Nursing:</u> <ul style="list-style-type: none"> ○ PICC line insertion ○ Incremental therapy charges ○ Ventilator adjustments performed by a Registered Nurse (RN) ● <u>Equipment considered part of special level of care room:</u> <ul style="list-style-type: none"> ○ Oxygen per day/per hour charges ○ Ultrasound guidance for procedures ● <u>Equipment considered part of a service or procedure:</u> <ul style="list-style-type: none"> ○ Feeding pumps ○ Flow meters ○ Glucometers ○ IV tubing and sets ○ PCA Pump/Pain pump ○ Perfusion equipment and supplies in the OR ○ Procedure specific tool kits/instruments rented, loaned or purchased ● <u>Operating Room Surgical Suite:</u>

		<ul style="list-style-type: none"> ○ Special/custom surgical tools ● <u>Respiratory:</u> <ul style="list-style-type: none"> ○ CPAP/O2 when patient is on ventilator support ○ Nursing/Respiratory care performed while patient is on a ventilator ○ Weaning/extubating of patient off a ventilator ○ Point of care testing ● <u>Laboratory:</u> <ul style="list-style-type: none"> ○ Blood draws from capillary puncture, arterial or venous devices ○ Point of care testing ● <u>Emergency Room:</u> <ul style="list-style-type: none"> ○ IV Starts, IV Administration, IV Push, IV Flush and assessments, dressing changes and infusion of fluids
	02/05/24	<p>Added and/or modified (BOLDED) the following sections to provide for additional clarification on non-reimbursable services:</p> <ul style="list-style-type: none"> ● <u>Nursing care:</u> <ul style="list-style-type: none"> ○ Incremental Therapy Charges (e.g., PT, OT, ST) ○ Dietary and related nursing services ○ Medical and Psychiatric social services ○ Bedside respiratory and pulmonary services ○ Outpatient services billed while patient is Inpatient ● <u>Equipment which are a required component of a specific level of care room charge:</u> <ul style="list-style-type: none"> ○ Oximetry Monitors ○ Fluoroscopy/Ultrasound/Vascular Access Guidance ● <u>Equipment considered required component of specific service and/or procedure</u> <ul style="list-style-type: none"> ○ Perfusion equipment and supplies in OR when billed in conjunction with perfusionist time increments ● <u>Medical/Surgical Supplies:</u> <ul style="list-style-type: none"> ○ Supplies considered integral to patient care (e.g., wipes, swabs, bed pans, etc.) ○ Catheter Guidance/Guidewires ● <u>Respiratory Services:</u> <ul style="list-style-type: none"> ○ Ventilatory support management and maintenance ○ Bedside respiratory and pulmonary services (e.g., management of nebulizers/breathing treatments, mechanical chest physiotherapy, swallow testing, IPPB therapy) ○ Nebulizer treatments ● <u>Radiology:</u> <ul style="list-style-type: none"> ○ Ultrasound guidance for vascular access

		<ul style="list-style-type: none"> ○ Contrast materials (e.g., Gadoteridol, LOCM, Gastrogafen, Gadoterate, Iohexol) ○ Radiopharmaceuticals (e.g., Technetium Tc-99m) ● <u>Pharmacy Services furnished to patients or other departments:</u> <ul style="list-style-type: none"> ● Contrast materials, topical anesthetics, irrigation fluids ○ Radiopharmaceuticals (e.g., Technetium Tc-99m)
	04/11/24	<p>Modified the following sections (BOLDED) to clarify non-reimbursable services:</p> <ul style="list-style-type: none"> ● Nursing services: <ul style="list-style-type: none"> ○ Removed the bullet : Incremental therapy charges (e.g., PT, OT, ST) ● Radiology: <ul style="list-style-type: none"> ○ Fluoroscopy/Ultrasound/Vascular access guidance for procedures ● Pharmacy Services furnished to patient or other departments: <ul style="list-style-type: none"> ○ Anesthetic related drugs administered as part of or during the time of a procedure (e.g., Propofol)
	05/14/24	<p>Added and/or Modified (BOLDED) the following sections to provide for additional clarification on non-reimbursable services:</p> <ul style="list-style-type: none"> ● Nursing Services: <ul style="list-style-type: none"> ○ Removed the bullet: Injections/vaccinations, subcutaneous and intramuscular ○ Added the bullet: Medication administration including vaccines, subcutaneous and intramuscular ○ Removed the bullet: “Bedside respiratory and pulmonary services” ● Respiratory Services: <ul style="list-style-type: none"> ○ Revised the bullet: “Bedside respiratory and pulmonary services (ex. management of nebulizers/breathing treatments, mechanical chest physiotherapy, swallow testing, IPPB therapy, Nebulizer treatments)” to read “Pulmonary services such as management of nebulizers/breathing treatments, mechanical chest physiotherapy, swallow testing, IPPB therapy, Nebulizer treatments” ● Pharmacy Services: <ul style="list-style-type: none"> ○ Removed the bullet: “Anesthetic related drugs administered as part of or during the time of a procedure (e.g., Propofol)” ○ Added bullet: “Anesthetic products related to anesthesia maintenance, anesthesia related to surgical procedure and anesthetic reversal agents”