

n05731

Inpatient Hospital Care – Routine Supplies and Services

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Abstract Purpose:

This reimbursement policy outlines Network Health’s process, for all lines of business, when services are rendered in an inpatient hospital setting, and the patient receives routine supplies and services.

Policy Detail:

- The costs of items purchased under arrangements considered part of covered routine inpatient services, are included in the provider’s overall allowable cost for routine services.
- The costs of routine services will then be apportioned over all patients in accordance with the apportionment method selected.
- The provider should not bill the program for these purchased services on an individual patient basis, even though the service is actually secured for a specific patient.

This policy is not all inclusive and subject to change at any time without notification.

I. Routine Services/General Policies:

- A. Inpatient routine services in a hospital or skilled nursing facility are those services included by the provider in a daily service charge; sometimes referred to as the “room and board” charge. Routine services are composed of two board components:
 1. General routine services: include routine regular room charges, dietary and nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, and the use of certain equipment and facilities which a separate charge is not customarily made.
 2. Special care units (SCU’s): including coronary care units (CCU’s) and intensive care units (ICU’s).
- B. Correct coding and coding definitions apply to all claims and all provider types. When 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.
- C. Correct coding guidelines also require the most specific, comprehensive code available be selected to report services or items billed. Miscellaneous or unclassified supply and durable medical equipment (DME) codes should not be used when there is a more specific code available.

II. Flushes, Diluents, Saline, Sterile Water, etc.:

- A. Current Procedural Terminology (CPT) and the Centers for Medicare and Medicaid Services (CMS) guidelines indicate that heparin flushes, saline flushes, intravenous (IV) flushes of any type, and solutions used to dilute or administer substances, drugs or medications are included in the administration services. These items are considered supplies and are not eligible for separate reimbursement.
 - 1. For example: Healthcare Common Procedure Coding System (HCPC) code J1642 (Injection, heparin sodium (heparin lock flush), per 10 units) describes heparin flushes. Heparin flushes are not considered a “drug” and therefore not eligible for separate reimbursement under the fee schedule or provider contract provisions for drugs.
- B. Payment for these supplies is included in the administration charge which is reportable with a CPT or HCPC code.
 - 1. In the inpatient 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 service(s). This applies to all provider types in all settings.

III. Capital Equipment:

- A. 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 and the use of that equipment may not be separately billable.
- B. 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 Operating Room (OR)).
- C. 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).

Examples of non-billable capital equipment include but are not limited to:

- 1. Anesthesia machines
- 2. Automatic blood pressure machines and/or monitors
- 3. Bladder scan equipment
- 4. Cameras
- 5. Cardiac monitors
- 6. Cautery machines
- 7. Cell saver related equipment and supplies
- 8. Fluoroscopy and/or Ultrasound in the Operating Room
- 9. Instruments
- 10. Intravenous (IV) pumps
- 11. Neurological monitors in the Operating Room
- 12. Oximetry monitors
- 13. Perfusion equipment and supplies in the Operating Room
- 14. Procedure-specific tool kits/instruments, whether rented, loaned or purchased (e.g.,

- orthopedic tools for joints, implants, spinal surgeries, etc.)
15. Rental equipment
 16. Scopes
 17. Thermometers

IV. Inpatient Hospitals:

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

A. Routine Supplies:

1. Routine supplies are items that are included in the general cost of the room where services are being rendered, or the reimbursement for the associated surgery or primary procedure. 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.
2. The costs for routine supplies are *eligible* services and are factored into the setting or procedure charge and should not be listed in the non-covered charge field on the UB04/facility claim. Although they are eligible services; they are not billed separately.
3. Examples of routine supply items not separately billable are listed below (this list is not all-inclusive and is subject to change without notice):
 - a) Admission, hygiene, and/or comfort kits or items
 - b) Alcohol wipes
 - c) All items and supplies that may be purchased over the counter
 - d) Any linen
 - e) Bed pans
 - f) Blood pressure monitors and/or cuffs
 - g) Breast pumps
 - h) Cardiac monitors
 - i) Cotton balls
 - j) Diapers
 - k) Drapes
 - l) Equipment commonly available to patients in a particular setting or ordinarily furnished to patients during the course of a procedure, whether hospital-owned or rented, and the supplies used in conjunction with this equipment
 - m) Floor stock
 - n) Gloves used by staff
 - o) Gowns used by staff
 - p) Heat light or heating pad
 - q) Ice bags or packs
 - r) Irrigation solutions
 - s) Items commonly available to patients in a particular setting (e.g. stock or bulk supply)
 - t) Items ordinarily used for or on most patients in that area or department
 - u) Items used to obtain a specimen or complete a diagnostic or therapeutic procedure
 - v) IV pumps

- w) IV tubing
- x) Masks used by staff
- y) Oximeters
- z) Oxygen masks and oxygen supplies
- aa) Oxygen when not specifically used by the patient
- ab) Patient Gowns
- ac) Personal convenience supply items
- ad) Preparation kits
- ae) Restraints
- af) Reusable equipment and/or items
- ag) Saline solutions
- ah) Syringes
- ai) Thermometers
- aj) Wall suction

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

B. Components of Room and Board:

1. A large number of basic services are included as components of the room and board charge (Revenue Codes 002X and 010X – 021X).
2. Network Health considers components of the room and board charge as not separately reimbursable. Facilities will not be reimbursed, nor allowed to retain reimbursement, for services considered to be not separately reimbursable.

C. Nursing Care:

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

1. Admission assessment
2. All food and meals, including special diets, thickening agents, etc.
 - a. Any respiratory treatment (medications may be separately charged) including, but not limited to:
 - i. Administration of mucolytics
 - ii. Incentive spirometry
 - iii. Nebulizer treatment
 - iv. Placement of masks for nebulized medications
 - v. Sputum inductions, bronchial hygiene or airway clearance treatments
3. Assisting with bedside procedures performed by physicians or other qualified healthcare professionals
4. Blood Administration (transfusions), including MTP (Massive Transfusion Protocol) or IAT (Intraoperative Autologous Transfusion)
5. Hemodynamic monitoring
6. Incremental nursing care – (1:1, ICU/CCU setting, etc.,)
7. IV insertion, including lidocaine for IV insertion and saline flushes, assessments, infusion or fluids
8. Medication administration
9. Monitoring of patients
10. Other services typically provided to a patient while an inpatient of a hospital

11. Pre-op holding for inpatient surgery
12. Sitz baths
13. Specialized IV-line placements, i.e.; Peripherally inserted central catheter (PICC) line insertion, midline-catheter insertions, etc.)
14. Surgical prep for procedures
15. Urinary catheterization, dressing changes, tube feedings
 - a. 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 blood gases, electrolytes, metabolites and urinary retention and insertion of peripheral IV lines

D. Lab/Pharmacy Services:

Blood draws from capillary, arterial or vascular access devices regardless of the 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:

1. Arterial lines
2. Capillary blood collection with lancet or finger-stick devices
3. Central lines
4. Glucometry testing
5. Implanted port
6. Low Osmolar Contract material for inpatient or outpatient radiology procedures
7. Mobile computer devices such as, but not limited to, those use for:
 - a. Analysis of blood gases
 - b. Electrolytes
 - c. Insertion of peripheral IV lines
 - d. Metabolites
 - e. Urinary retention
8. Percutaneous non-tunneled
9. Peripheral lines, short or midline
10. Peripherally inserted (PICC)
11. Pharmacy consultations for medication management or patient education
12. Point of care testing, such as:
 - a. Glucometry testing
 - b. Urine dip stick
13. Tunneled central venous catheter

D. Central Supply:

1. Batteries for any equipment used during any procedures
2. Telemetry batteries, leads

F. Equipment:

A required component of a specific level of care and calibration of instrumentation.

1. Arterial and Swan-Ganz monitors (e.g., in an NICU setting, ICU/CCU, OR, Recovery Room, etc.)
2. Cardiac monitors (e.g., in an NICU setting, ICU/CCU, Telemetry or Step-Down, OR, Recovery Room, etc.)
3. Cell saver equipment (e.g., in OR, etc.)
4. CO2 end Tidal Monitors, in-line or transcutaneous, or humidified air (e.g., for patients on ventilator, in the OR, etc.)
4. Fetal monitors (e.g., in a labor

- room setting, etc.)
5. Neurological monitors (e.g., in OR, ICU, etc.)
 6. Oximetry (e.g. in an NICU setting, ICU/CCU, OR, Recovery Room, Emergency Room Department, etc.)
 7. Transesophageal Echo (TEE) monitors due to open heart surgery (TEE equipment is mandatory in the Open-Heart Room, excluding NICU)
 8. Ultrasound guidance for procedures
 9. Ventilator (e.g., in OR, Recovery Room, etc.)

G. Respiratory Therapy:

1. Endotracheal suctioning when done with treatments or on ventilator
2. Oxygen (O2), Continuous positive airway pressure (CPAP), Positive end-expiratory pressure (PEEP) charges when patient is on ventilator support
Oximetry trending when done by routine monitor
3. Patient's own CPAP/Bilevel positive airway pressure (BiPAP) machine services
4. Point of care testing, such as urine dip stick, glucometer 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
5. Respiratory assessment with treatment(s)
6. Surfactant administration when done by the physician
7. Ventilatory adjustments if performed by a registered nurse (RN)
8. Ventilator system checks by respiratory therapist
9. Ventilator weaning and extubation

Regulatory Citations:

Centers for Medicare and Medicaid (CMS)

Current Procedural Terminology (CPT)

Healthcare Common Procedure Coding System (HCPCS)

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