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Procedure 1222- Pulse Oximetry

Lines of Business: All

Purpose: This guideline is to provide Network Health's process for claims received for pulse oximetry testing services.

Procedure: Network Health reimburses providers for performing pulse oximetry testing when accompanied by an appropriate ICD diagnosis code that is used to evaluate conditions which are commonly associated with oxygen desaturation. Routine pulse oximetry testing with absence of signs or symptoms suggestive of desaturation is not covered. Use of the appropriate ICD diagnosis code does not guarantee reimbursement. Documentation requirements must be met and available if requested. When a pulse oximetry service is not billed with one of the appropriate ICD diagnosis code, the claim will deny with ansi code B22- This payment is adjusted based on the diagnosis.

The following pulse oximetry services are considered in this guideline:

- Non-invasive ear or pulse oximetry for oxygen saturation; single determination
- Non-invasive ear or pulse oximetry for oxygen saturation; multiple determinations (e.g. during exercise)
- Non-invasive ear or pulse oximetry for oxygen saturation; by continuous overnight monitoring (separate procedure)

Reasons for pulse oximetry services that **do not** require continuous overnight monitoring include:

1. Patient exhibits signs or symptoms of acute respiratory dysfunction such as: tachypnea, dyspnea, cyanosis, respiratory distress, confusion and hypoxia.
2. Patient has chronic lung disease, severe cardiopulmonary disease, or neuromuscular disease involving the muscles of respiration, and oximetry is needed for at least one of the following reasons:
   a. Initial evaluation to determine the severity of respiratory impairment.
   b. Evaluation of an acute change in condition.
   c. Evaluation of exercise tolerance in a patient with respiratory disease.
   d. Evaluation to establish medical necessity of oxygen therapeutic regimen.
3. Patient has sustained severe multiple trauma or complains of acute severe chest pain.
4. The patient is under treatment with a medication with known pulmonary toxicity, and it may be necessary to monitor for potential adverse effects of therapy.

When pulse oximetry services are billed with an Evaluation and Management (E/M) code, the routine oximetry is incidental to a provider's service and, therefore, like other vital sign measurements is considered part of the provider's service when billed with an E/M code.

When pulse oximetry for oxygen saturation is utilized to monitor a patient's respiratory status/oxygen saturation during a surgical procedure, the service is bundled into the surgical/anesthesia service and not separately reimbursable.

Continuous overnight oximetry is considered allowable in the following circumstances:

1. The patient has a condition for which intermittent arterial blood gas sampling is likely to miss important variations.
2. The patient has a condition resulting in hypoxemia and there is a need to assess supplemental oxygen requirements and/or a therapeutic regimen.

Pulse oximetry determinations once or twice a year is considered reasonable for continuous overnight monitoring in outpatient or home management for patients with chronic cardiopulmonary problems. Regular or routine testing will not be allowed for reimbursement. More frequent follow-up testing may be allowed when there is documentation of an acute exacerbation of a chronic pulmonary disease or unstable conditions or acute illnesses with signs indicating or suggesting increased hypoxemia. In all instances, there must be a request documented in the medical records from a physician for these services.

Valid Diagnosis Codes

Network Health will allow separate payment for pulse oximetry when it is medically necessary to evaluate conditions which are commonly associated with oxygen desaturation.

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