

# Reimbursement Policy

## Facility Routine Supplies and Services

REIMBURSEMENT POLICY NUMBER: 43

**Effective Date:** 5/1/2023

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**INSTRUCTIONS FOR USE:** Company reimbursement policies serve as guidance for the administration of plan benefits. Reimbursement policies do not constitute medical advice nor a guarantee of coverage. Company reimbursement policies are reviewed annually. The Companies reserve the right to determine the application of reimbursement policies and make revisions to reimbursement policies at any time. The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Reimbursement Policy will be resolved in favor of the coverage agreement.

### SCOPE AND APPLICATION

Provider Type:

- Professional Claims
- DMEPOS Suppliers
- All health care services billed on CMS 1500 forms
- All health care services billed on CMS 1500 forms, and when specified to those billed on UB04 forms
- Facilities
- All health care services billed on UB04 forms (CMS 1450)

Plan Product:

- Commercial
- Medicare
- Medicaid/Oregon Health Plan (OHP)

**SCOPE:** Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

Plan participating and contracted facilities reimbursed on any of the following payment methodologies:

- DRG
- Modified DRG
- Percentage of billed charges/per diem

## POLICY STATEMENT

- I. The following (A.-H.) facility supplies and services are considered **not separately reimbursable** because they are considered incidental to the facility charge:
- A. Routine items or services included in the daily room and board charge for the level of care being provided; **or**
  - B. Routine items or services included in the facility charge for the primary medical service being provided (e.g., surgical services and associated anesthesia services); **or**
  - C. Items or services that are determined to be inappropriate or excessive; **or**
  - D. Items or services that are determined to be duplicative; **or**
  - E. Items or services that are wasted, broken, or destroyed; **or**
  - F. Nursing care and/or treatment that is within the scope of normal nursing practice; **or**
  - G. Assistance by hospital staff for any bedside procedures performed by physicians or other healthcare professionals regardless of patient location; **or**
  - H. Transportation, including monitoring while being transported, within the facility.

**Note:** see Policy Guidelines below for examples of facility items or services that are not separately reimbursable because they are incidental to the facility charge.

## POLICY GUIDELINES

Note: the following lists are not all-inclusive.

### ROUTINE SUPPLIES AND EQUIPMENT

- Admission, hygiene, and/or comfort kits
- Alcohol swabs
- Arterial blood gas kits
- Apnea monitors
- Baby powder
- Band Aids
- Basins
- Batteries
- Bedpans
- Bedding and linens (sheets, blankets, pillowcases, washcloths, and towels)
- Beds
- Betadine ointment/solutions
- Blood collection tubes
- Blood pressure cuffs/monitors
- Breast feeding pumps/supplies
- CO2 monitors
- Commodes
- Compression garments or devices
- Contrast materials
- Cotton balls and cotton swabs
- Crash carts

- Deodorant (e.g., tubing, infusion pump, syringes, flushes)
- Drapes
- Electrocardiogram (EKG) supplies
- Emesis basins
- Emerson pumps
- Gloves and gowns (used by patients or staff)
- Glucometers
- Feeding pumps
- Heating or cooling pads
- Heating or cooling pumps
- Humidifiers
- Ice packs
- Infant warmers
- Iodine scrub
- Irrigation solution and supplies
- IV arm boards
- IV pumps/poles, including drug delivery systems and supplies
- Kleenex tissues
- Linens
- Lubricants and lotions
- Masks (used by patients or staff)
- Mattresses
- Mouth care kits, mouthwashes
- Nebulizers and related supplies
- Needles
- Nutrition support
- Oral swabs
- Oxygen masks
- Phototherapy lights
- Pillows
- Pulse oximetry probes
- Razors
- Restraints
- Sharps containers
- Skin cleansers, including alcohol, peroxide, and chlorohexidine antiseptic.
- Soap, shampoos, shaving creams
- Socks, slippers
- Syringes
- Stethoscopes
- Suction canisters and tubing
- Surgical trays and supplies
- Tape
- Telemetry equipment
- Therapeutic baths
- Thermometers
- Toilet paper
- Toilet seat lifts
- Tongue depressors
- Toothbrush, toothpaste
- Tubing, including feeding tubes
- Urinals
- Water pitchers
- X-ray film

## **SURGICAL SERVICES, EQUIPMENT, AND SUPPLIES**

- Basin stands
- Bovie machines/pads/supplies
- Bronchoscopes
- Catheters, including urinary, cardiac, and vascular catheters
- Cords
- Closure supplies
- Compression garments or devices
- Crash carts
- Drapes
- Dressings, sterile gauze
- Endoscopes
- Fluoroscopy equipment
- Instruments
- Irrigation solutions
- IV kits
- Laparoscopes
- Lasers
- Lights and associated parts
- Limb holders
- Linens
- Monitoring Equipment/Supplies
- Needles
- Operating room set-ups of equipment and supplies
- Power equipment
- Robotic devices
- Room heating and monitoring equipment
- Perfusion equipment and services
- Screws/orthopedic hardware
- Sponges
- Staffing
- Staples and staplers
- Suction machines, canisters, tubing, and related supplies
- Sutures and suture related devices
- Surgeon's loops
- Surgical sealant
- Tables and table covers

- Ventilator or oxygen set-up and supplies
- Video equipment
- X-ray film

## **ANESTHESIA SERVICES, EQUIPMENT, AND SUPPLIES**

- Airway supplies and airway humidifiers
- Anesthesia machines
- Anesthetic gases
- Arterial blood gasses
- Blood pressure monitors
- Blood warmers
- Breathing circuits
- Cardiac monitors and monitoring supplies
- CO2 monitors
- Disposable warming blankets
- Electrolytes
- Esophageal stethoscopes
- Extubation
- Gloves
- Instruments
- Intravascular catheters
- Intubation and intubation kits
- IV kits
- Laryngoscopes
- Linens
- Needles
- Positioning devices
- Positive pressure ventilation systems
- Pulse oximetry
- Restraints
- Saline slush machine
- Skin preparation
- Solution warmer
- Sterilization of equipment
- Stethoscopes
- Suction canisters, liners, and tubing
- Suction catheters
- Syringes and needles
- Thermometers
- Tongue blades
- Transport monitor
- Tubing
- Ventilation systems
- Warming lamps

## **RESPIRATORY THERAPY**

### **Services and Supplies**

- Aerosol
- Airway supplies
- Ambu Bag
- Breathing circuit
- CO2 monitors
- Croupette
- Extubation
- Flow meter
- Humidifier
- Intermittent Mandatory Ventilation (IMV) circuit
- Incentive spirometry
- Intubation and intubation kits
- Intermittent Positive Pressure Breathing (IPPB)
- Isolettes
- Nasal cannula
- Nasal catheter
- Nursing care
- Oscillators
- Oxygen (and associated supplies)
- Oxygen masks
- Positive End Expiratory Pressure (PEEP)
- Respiratory technician time
- Tents or hoods
- T-piece
- Tubing
- Ultrasonic nebulizer
- Ventilation systems
- Ventilator related disposable supplies

### **Hourly/Daily Charges**

- Hourly/daily charges for oxygen are not separately reimbursable from hourly/daily charges for ventilator support. This is considered duplicative (criterion. I.D. above).

- If more than one level of respiratory/ventilation support occurs on the same date of service, only the highest level of respiratory/ventilation support will be reimbursed. The lower level of support is considered duplicative (criterion I.D. above).

### **ROUTINE NURSING SERVICES**

- Bathing of patients
- Blood draw and blood product administration
- Cardiopulmonary resuscitation
- Central line care
- Changing of linens and patient gowns
- Chest tube maintenance, dressing changes, discontinuation
- Dressing/bandage changes
- Enemas
- Incontinence treatments
- IV insertions, maintenance, or removals, including administration of fluids and medications
- Lactation consultations
- Medication administration
- Medical record documentation
- Monitoring and maintenance of peripheral or central IV lines and sites
- Nasogastric tube insertion, maintenance, removal
- Nebulizer treatments
- Neurologic status checks
- Obtaining of: blood sugars, blood samples (from either IV sticks, central lines, or PICCs), urine specimens, stool specimens, arterial draws, sputum specimens, or any body fluid specimen
- Obtaining and recording of patient assessments, including: vital signs, monitoring of cardiac monitors, pressure readings, pulse oximeters, and pulmonary arterial pressures
- Patient and family education/counseling
- RN first assists
- Telemetry monitoring
- Tracheostomy care
- Transporting, ambulating, transferring from bed or chair
- Urinary catheter insertions or removals
- Vaccine administration
- Wound care

### **ROOM AND BOARD CHARGE**

According to the Centers for Medicare & Medicaid Services (CMS), “(i)npatient routine services in a hospital generally are those services included by the provider in a daily service charge--sometimes referred to as the ‘room and board’ charge.”

### **ROUTINE OR ANCILLARY ITEMS OR SERVICES**

#### **Routine Supplies/Services**

According to the Centers for Medicare & Medicaid Services (CMS):

“Routine services are the regular room, dietary and nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, and the use of certain equipment and facilities for which a separate charge is not customarily made.”<sup>1</sup> These services are not separately billable Inpatient Part B services per:

- Provider Reimbursement Manual – Part 1, Chapter 22, §2202.6<sup>2</sup>
- Medicare General Information, Eligibility, and Entitlement Manual
  - Chapter 1—General Overview, §60.4—Statutory Obligations of Practitioners and Other Persons<sup>3</sup>
  - Chapter 4—Physician Certification and Recertification of Services, §10—Certification and Recertification by Physicians for Hospital Services<sup>4</sup>
  - Chapter 4—Physician Certification and Recertification of Services, §20—Certification for Hospital Services Covered by the Supplementary Medical Insurance Program<sup>4</sup>
  - Chapter 5—Definitions, §20—Hospital Defined<sup>5</sup>

### **Ancillary Supplies/Services**

Section 2202.8 of the Medicare Provider Reimbursement Manual states ancillary services in a hospital “include laboratory, radiology, drugs, delivery room (including maternity labor room), operating room (including postanesthesia and postoperative recovery rooms), and therapy services (physical, speech, occupational). Ancillary services may also include other special items and services for which charges are customarily made in addition to a routine service charge.”

Section 2203 of the Medicare Provider Reimbursement Manual states “The cost of those items and services specifically classified as routine in §2202.6 are always considered routine service costs, and the costs of those specifically classified as ancillary in §2202.8 are always considered ancillary service costs for purposes of Medicare reimbursement. A separate ancillary charge for a particular item or service other than those listed as ancillary in §2202.8 is not recognized, and the cost of the item or service is not included in an ancillary cost center...”

The above referenced guideline will be used to determine if the supplies charged are reimbursable and will require a physician order

### **Fluid Used to Administer Drugs**

Medicare Claims Processing Manual on Part B Hospital states, “(h)ospitals are expected to report all drug administration CPT codes in a manner consistent with their descriptors, CPT instructions, and correct coding principles.”<sup>6</sup>

CPT instructions that preface both therapeutic, prophylactic, chemotherapy and highly complex biologic agents state: “The fluid used to administer the drug(s) is considered incidental hydration and is not separately reportable. Therapeutic, prophylactic, or diagnostic IV infusion or injection, other than hydration, is for the administration of substances/drugs. The fluid used to administer the drug (s) is incidental hydration and is not separately payable (although the charges may be supported by a physician order).

If performed to facilitate the infusion or injection or hydration, the following services and items are included and are not separately billable:

1. Use of local anesthesia

2. IV start
3. Access to indwelling IV, subcutaneous catheter or port
4. Flush at conclusion of infusion
5. Standard tubing, syringes, and supplies.

Payment for the above is included in the payment for the chemotherapy administration or non-chemotherapy injection and infusion service.”<sup>7</sup>

## **ROUTINE NURSING SERVICES**

The costs of patient monitoring and nursing services are included in the facility’s daily room and board charge. A separate charge is not payable per Medicare Provider Reimbursement Manual Section 2202.6.<sup>2</sup> Examples of routine nursing services that are captured in the Room and Board rate include patients that receive from the floor nurse IV infusions and injections, blood administration, and nebulizer treatments.

## **DURABLE MEDICAL EQUIPMENT (DME)**

According to the Medicare Claims Processing Manual, Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), “DME, prosthetic/orthotic devices (except customized devices in a SNF), supplies and oxygen used during a Part A covered stay for hospital and skilled nursing facility (SNF) inpatients are included in the inpatient prospective payment system (PPS) and are not separately billable.”<sup>8</sup>

Additionally, the MLN Facts Sheet on “Medicare DMEPOS Payments While Inpatient” states:

“SSA Section 1861(n) limits Medicare Part B DME coverage to items used in the patient’s home. Under 42 CFR Section 410.38, we [Medicare] doesn’t pay DME separately to hospitals, CAHs, or skilled nursing facilities because the facility isn’t a qualified home. The facility must provide all medically necessary DMEPOS during a Part A covered stay.

We [Medicare] include all DMEPOS items during a Part A covered stay in the inpatient PPS rate and the facility can’t separately bill them. The inpatient facility directly pays the supplier for provided items.”<sup>9</sup>

## **CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)**

As of 3/21/2023, the following Centers for Medicare & Medicaid (CMS) guidances were identified which address reimbursement for facility routine supplies and services:

- Medicare Benefit Policy Manual, Chapter 1—Inpatient Hospital Services Covered Under Part A, §40.0—Supplies, Appliances, and Equipment<sup>10</sup>
- Medicare Benefit Policy Manual, Chapter 4—Part B Hospital, §230.2—Coding and Payment for Drug Administration<sup>6</sup>

- Medicare Claims Processing Manual, Chapter 20—Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), §210—CWF Crossover Editing for DMEPOS Claims During an Inpatient Stay<sup>8</sup>
- Medicare General Information, Eligibility, and Entitlement Manual
  - Chapter 1—General Overview, §60.4—Statutory Obligations of Practitioners and Other Persons<sup>3</sup>
  - Chapter 4—Physician Certification and Recertification of Services, §10—Certification and Recertification by Physicians for Hospital Services<sup>4</sup>
  - Chapter 4—Physician Certification and Recertification of Services, §20—Certification for Hospital Services Covered by the Supplementary Medical Insurance Program<sup>4</sup>
  - Chapter 5—Definitions, §20—Hospital Defined<sup>5</sup>
- Provider Reimbursement Manual – Part 1, Chapter 22, §2202.4, §2202.6, §2202.8, §2203<sup>2</sup>
- MLN Matters® Number: MM8959. Implementing the Payment Policies Related to Patient Status from the CMS-1599-F<sup>11</sup>
- MLN Matters® Number: SE1333. Temporary Instructions for Implementation of Final Rule 1599-F for Part A to Part B Billing of Denied Hospital Inpatient Claims<sup>1</sup>
- Medicare Claims Processing Manual, Chapter 20 - Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)
- MLN Matters® Number: 1541573. Medicare DMEPOS Payments While Inpatient

The above criteria and reimbursement methodologies are consistent with the CMS guidances regarding facility routine supplies and services.

## CROSS REFERENCES

None

The full Company portfolio of current Reimbursement Policies is available online and can be [accessed here](#).

## REFERENCES

1. Centers for Medicare & Medicaid Services (CMS). MLN Matters® Number: SE1333. Temporary Instructions for Implementation of Final Rule 1599-F for Part A to Part B Billing of Denied Hospital Inpatient Claims. <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/SE1333.pdf>. Accessed 3/16/2023.
2. Centers for Medicare & Medicaid Services (CMS). Provider Reimbursement Manual – Part 1, Chapter 22, §2202.4, §2202.6, §2202.8, §2203. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021929>. Accessed 3/16/2023.
3. Centers for Medicare & Medicaid Services (CMS). Medicare General Information, Eligibility, and Entitlement Manual, Chapter 1—General Overview, §60.4—Statutory Obligations of Practitioners and Other Persons <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ge101c01.pdf>. Published 2015. Updated 10/16/2015. Accessed 3/16/2023.
4. Centers for Medicare & Medicaid Services (CMS). Medicare General Information, Eligibility, and Entitlement Manual, Chapter 4—Physician Certification and Recertification of Services, §10—Certification and Recertification by Physicians for Hospital Services & §20—Certification for Hospital Services Covered by the Supplementary Medical Insurance Program



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  8. Centers for Medicare & Medicaid Services (CMS). Medicare Claims Processing Manual, Chapter 20—Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), §210—CWF Crossover Editing for DMEPOS Claims During an Inpatient Stay.  
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c20.pdf>. Published Updated 2021. Accessed 3/16/2023.
  9. Centers for Medicare & Medicaid Services (CMS). Medicare DMEPOS Payments While Inpatient.  
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  10. Centers for Medicare & Medicaid Services (CMS). Medicare Benefit Policy Manual; Chapter 1, Section 40. Supplies, Appliances, and Equipment. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c01.pdf>. Published 2017. Accessed 3/16/2023.
  11. Centers for Medicare & Medicaid Services (CMS). MLN Matters® Number: MM8959. Implementing the Payment Policies Related to Patient Status from the CMS-1599-F.  
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3106CP.pdf>. Published 2013. Accessed 3/16/2023.

## POLICY REVISION HISTORY

Date	Revision Summary
1/2023	Policy updated to new format
5/2023	Annual review