

cmi_115624

Title	Contract Exclusions/Disallowed Charges – Inpatient and Outpatient Facility Services		
Number	CP.PP.419.v2.6		
Last Approval Date	04/06/26	Original Effective Date	01/11/10
Cross Reference	<ul style="list-style-type: none"> • <i>Critical Care in Emergency Department when Patient is Discharged to Home (Facility)</i> • <i>Emergency Department Evaluation and Management Level of Service</i> • <i>Preadmission Testing</i> • <i>Medically Unlikely Edits (MUEs)/Maximum units of Service</i> • <i>Modifier 90-Reference (Outside) Laboratory</i> • <i>Radiopharmaceuticals and Contrast Materials</i> • <i>Robotic Surgical System and Computer Assisted Navigational Codes (S2900, 20985, 0054T and 0055T)</i> 		

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 facility claim.
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.
Definitions	<u>Charges That Are Not Separately Reimbursable</u> - 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 examples 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"> • Administrative costs for processing and storage of blood • Blood administration/transfusions and monitoring of patient • Documentation and preparation of blood products

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:

- Admission assessment
- Bedside nursing care carried out by Nurses (RN/LPN), Certified Nursing Assistants
- Bladder scans
- Dietary and related nursing services
- Hemodynamic monitoring
- Incremental nursing - 1:1 and ICU/CCU setting
- IV Starts, IV Administration, IV Push, IV flush (e.g., Heparin) and assessments, dressing changes, infusion of fluids
- Medical and Psychiatric social services
- Medication administration including vaccines, subcutaneous and intramuscular
- Minor medical/surgical supplies
- Monitoring of Patients
- Nasogastric tube insertions
- Nursing/tech time
- Observation & Outpatient services billed on the same date as inpatient room and board charges
- Oximetry
- Personal care items
- PICC Line insertion
- Point of care/bedside testing (such as blood count, arterial blood gas, clotting time, glucose monitoring/glucose monitoring device testing, glucometers, urine dipsticks, hemoglobin/hematocrit, etc.)
- Pre-Op holding for inpatient or outpatient surgery/surgical preparation
- Small volume fluids used as a diluent to mix a drug (see pharmacy section)
- Syringe pump testing
- Tracheostomy care
- Urinary catheterization
- Notwithstanding the foregoing, one venipuncture (36415) charge per day allowed

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

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

- 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
- Batteries for any equipment
- Blades
- Cameras
- Cardiac monitors
- C-Arm/Fluoroscopy
- Case/Crash Carts
- Cautery machines
- Cell Saver equipment
- CO2 End Tidal monitors
- Drills/saws/blades used in the OR
- Feeding Pumps
- Fetal monitor
- Flow Meters
- Glucometers
- Grounding pads
- 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
- Robotic surgical systems and computer-aided navigation systems (e.g., DaVinci robotic system)
- Scopes (e.g., laparoscopes, bronchoscopes, endoscopes, fluoroscopy/C-Arm, etc.)
- Surgical Instruments
- Thermometers
- Ventilators

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

- After hours/call back if the facility has 24-hour coverage
- 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, bandages/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
- Robotic surgical systems and computer-aided navigation systems (e.g., DaVinci robotic system)
- 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.)
- Pre-operative care levels,
- Services of qualified facility employed professional and technical personnel (Reimbursement included in room and board procedure or observation charge)
- Notwithstanding the foregoing, NICU Cannulation for ECMO (Ligation of Patent Ductus Arteriosus in patient under approximately 1000 grams) allowed.

Medical/Surgical Supplies:

- All items and supplies that may be purchased over the counter (OTC)
- 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)
- All reusable items, supplies, and equipment that are provided to all patients during inpatient or outpatient admission are not separately reimbursable
- 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
- Cardiac monitors
- Catheter Guidance/Guidewires
- Foley Stat Lock
- Foley/Straight Catheters
- Irrigation Supplies
- Supplies considered integral to patient care (e.g., wipes, swabs, bed pans, etc.)
- Syringes
- Telemetry battery
- Wall Suction

Respiratory Services:

- After hours/call back if the facility has 24-hour coverage
- 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
- Ventilatory support management and maintenance
- Weaning and extubating of patient off ventilator

	<p><u>Radiology:</u></p> <ul style="list-style-type: none"> • After hours/call back if the facility has 24-hour coverage • Contrast materials (e.g., Gadoteridol, LOCM, Gastrofafen, Gadoterate, Indigo Carmine, Indocyanine green, Iohexol, Isosulfan blue, oral contrast) • Fluoroscopy/Ultrasound/Vascular access guidance for procedures • Radiopharmaceuticals (e.g., Technetium Tc-99m) • Services of qualified facility employed professional and technical personnel <p><u>Lab:</u></p> <ul style="list-style-type: none"> • After hours/call back if the facility has 24-hour coverage • 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 • Transportation fees related to specimen pickups/handling fees <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 • Anesthetic products related to anesthesia maintenance, anesthesia related to surgical procedures and anesthetic reversal agents • Consultation and advice to medical staff and nursing staff on drug therapy • Contrast materials, topical anesthetics, irrigation fluids • Materials necessary for the preparation and administration of drugs such as small volume fluids used as a diluent to mix drugs (e.g., Flex or Viaflex, Piggyback, Plus, QSB, Diluent, base, sterile water, Normal Saline, Dextrose, Sodium Chloride, Heparin flushes, etc.) • 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)
Violations of Policy	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 by the Plan.
Exceptions	Exceptions section: Exceptions to the policy may be made where a provider or employer group contract dictates otherwise.
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 • 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	04/06/26; 04/07/25; 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 ● 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

		<p>and/or the delivery of services in a specific location in the inpatient and outpatient environments.</p> <ul style="list-style-type: none"> ○ All items and supplies that may be purchased over the counter. ○ 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) <ul style="list-style-type: none"> ● <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 foregoing, 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

		<ul style="list-style-type: none"> ○ 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

		<ul style="list-style-type: none"> • <u>Radiology:</u> <ul style="list-style-type: none"> ○ Ultrasound guidance for vascular access ○ Contrast materials (e.g., Gadoteridol, LOCM, Gastrofafen, Gadoterate, Iohexol) ○ Radiopharmaceuticals (e.g., Technetium Tc-99m) • <u>Pharmacy Services that are 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”

	04/07/25	<p>Alphabetized all the sub-bullets in each of the sub-sections in the Policy section.</p> <p>Two Payment Policies added to the Cross Reference section.</p> <p>Added or modified (BOLDED) the following bullets in the noted sections for additional clarification on non-reimbursable services:</p> <p>Nursing Care Services</p> <ul style="list-style-type: none"> • Added: Bedside nursing care carried out by Nurses (RN/LPN), Certified Nursing Assistants • Added: Tracheostomy care • Modified: Point of care/bedside testing (such as blood count, arterial blood gas, clotting time, glucose monitoring/glucose monitoring device testing, glucometers, urine dipsticks, hemoglobin/hematocrit, etc.) <p>Equipment</p> <ul style="list-style-type: none"> • Added: <ul style="list-style-type: none"> ○ Batteries for any equipment. ○ Grounding Pads ○ Robotic surgical systems and computer-aided navigation systems (e.g., DaVinci robotic system) ○ Surgical Instruments • Modified: Scopes (e.g., laparoscopes, bronchoscopes, endoscopes, fluoroscopy/C-Arm, etc.) <p>Operating Room/Surgical Suite:</p> <ul style="list-style-type: none"> • Added: Robotic surgical systems and computer-aided navigation systems (e.g., DaVinci robotic system)
	04/06/26	<ul style="list-style-type: none"> • Added additional examples to Contrast section within the Radiology category: Indigo Carmine, Indocyanine green, Isosulfan blue, oral contrast. • Added additional examples of IV fluid materials under the pharmaceutical category: Flex or Viaflex, Piggyback, Plus, QSB, Diluent, base, • Added clarifying statement for observation charges under room and board category. • Added additional cross reference policies: <ul style="list-style-type: none"> ○ <i>Critical Care in Emergency Department when Patient is Discharged to Home (Facility)</i> ○ <i>Emergency Department Evaluation and Management Level of Service</i> ○ <i>Preadmission Testing</i> ○ <i>Medically Unlikely Edits (MUEs)/Maximum units of Service</i> ○ <i>Modifier 90-Reference (Outside) Laboratory</i>

		○ <i>Radiopharmaceuticals and Contrast Materials</i>
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