

INPATIENT AND OUTPATIENT UNBUNDLING

Date of origin: Aug. 2024

Review dates: 12/2024

APPLIES TO

All plans

DEFINITION

This inpatient and outpatient unbundling payment policy details covered medical and surgical services and supplies used during the stay. Providers and facilities are responsible for accurate and complete documentation for services rendered and accurate billing and coding of related services.

Inpatient and outpatient unbundling occurs when multiple codes are reported on a claim that should be included in the description of a single comprehensive code. Claim lines not following the guidelines below will be rejected. This will require the claim to be rebilled or adjusted if any part of the claim receives payment.

As defined in our [General Coding Policy](#), Priority Health uses the following sources to determine if unbundling edits are appropriate:

- Current Procedural Terminology (CPT)
- Healthcare Common Procedure Coding System (HCPCS)
- Medicaid National Correct Coding Initiative
- CMS National Correct Coding Initiative (NCCI) edits
- CMS and MDHHS Policies
- Specialty Societies
- Outpatient Code Editor (OCE) Edits

POLICY SPECIFIC INFORMATION

Priority Health doesn't reimburse for the following services (the following guidelines are not all inclusive):

- **Mutually exclusive procedures:** These include services or procedures that cannot reasonably be performed on the same member on the same date of service during the same surgical session based on the procedural definition or anatomical considerations.
- **Incidental:** The cost of incidental services when performed with a more comprehensive, primary service is not separately payable. These services are clinically integral to the expected outcome of the primary service and may not be reported separately. This includes technical charges for purchase, rental and/or maintenance of equipment.
- **Integral procedures:** Most HCPCS/CPT code defined procedures include services that are integral to them. Some of these integral services have specific CPT codes for reporting the service when not performed as an integral part of another procedure. Services integral to HCPCS/CPT code defined procedures are included in those procedures based upon the standards of medical/surgical practice. Some services are

integral to large numbers of procedures. Other services are integral to a more limited number of procedures.

- **Global allowance:** Medicare Global Surgery Rules define the rules for reporting Evaluation & Management (E&M) services with procedures covered by these rules.

Claims are reviewed at the line level to detect unbundling situations. Unbundling occurs when revenue codes are submitted for payment of routine supplies/equipment/nursing care that are considered “bundled” into the room and board charges.

We don't reimburse separately billed items / services determined to be:

- Included in the customary daily room and board charges
- Included in the facility charge for the primary service or procedure billed
- Excessive or inappropriate
- Personal convenience items

Below are services/supplies not eligible for separate reimbursement as they're considered packaged in the facility charge (this list is not all-inclusive):

Disposable supplies

Disposable supplies are those furnished in an inpatient or outpatient setting that cannot be reused. These may include syringes, bandages, garter belts, sheaths, bags, blood or urine testing supplies, needles, masks, gauze, replacement batteries, and stockings. Please note, this is not an all-inclusive list.

Contaminated, wasted or unused items

Items that were deemed contaminated, wasted, or were not utilized as expected during a hospital encounter. These services are not reimbursed. Examples of these items may include:

- Items or services that were opened in error
- Failure or technical difficulties associated with equipment
- Cancellation of surgical case
- Surgeon determines item or supply will not be utilized
- Items or supplies that were not utilized during encounter (examples: DME, crash carts, and emergency drugs)
- Prepped items or supplies that were not used

Basic hospital room daily charges

Basic hospital room daily charges include equipment, services and supplies associated with personal care, personnel performing nursing or technical services, and items associated with room furnishing. These basic room items and supplies are associated with emergency departments, critical care areas, hospital observation areas, treatment rooms, cardiac cath lab, surgical suites, pediatric rooms, burn units, neonatal rooms for all neonatal levels, neurological, rehabilitative, recovery and post-anesthesia areas and trauma units. Items defined for routine medical supplies, medical equipment and devices are inclusive and should not be separately reported. Please note, these lists are not all-inclusive.

Routine medical supplies

- Alcohol swabs
- Blood gas kits
- Baby powder

- Band-aids
- Basin
- Bedpan of any kind
- Blood tubes
- Cotton ball (any type)
- Personal care items including deodorant, razors, shampoo, shaving cream, soap, mouthwash, mouth care kits, toothbrush, toothpaste, lotion, socks, slippers
- Drapes
- Emesis basin
- Masks, gloves or gowns by members, families, or staff
- Skin cleansing liquids
- Heating light or pad
- Ice pack(s)
- Needles
- Oral swab (flavored or non-flavored)
- Oxygen masks
- PICC line(s)
- Prep kits
- Restraints
- Blankets, sheets, pillows, pillowcases, under pads, washcloths and towels
- Saline or irrigation solutions
- Sharps containers
- Interactive telecommunications and/or information technology devices
- Tools or items utilized to obtain a specimen or perform a diagnostic/therapeutic procedure
- Kleenex tissues
- Lubricant jelly
- Meal trays
- Measuring and/or water pitcher
- Specipan
- Sputum trap
- Syringe
- Tape
- Thermometers
- Toilet paper
- Tongue depressors
- Urinal

Medical equipment

Medical equipment includes device(s) utilized in the inpatient or outpatient setting commonly supplied during performing procedures and care during a hospital stay. These are considered routine and not separately payable. This includes equipment that may be rented by the facility. This is not an all-inclusive list:

- Ambu bag
- Aqua pad motor
- Arterial pressure monitors (inclusive of all critical care room charges only)
- Auto syringe pump
- Automatic thermometers

- Bed scales
- Bedside commodes
- Blood pressure cuffs and machines
- Blood warmers
- Cardiac monitors
- CO2 Monitors
- Crash cart
- Defibrillators and paddles
- Digital recording equipment and printouts
- Dinamap
- Emerson pumps
- Fans
- Feeding pumps
- Flow meters
- Footboard
- Glucometers
- Gomco pumps
- Guest beds
- Heating or cooling pumps
- Hemodynamic monitors (inclusive to critical care room charge only)
- Humidifiers
- Incontinence supplies
- Infant warmer
- Injections (therapeutic, prophylactic, or diagnostic)
- IV pumps; single and multiple line including tubing
- Nebulizers
- Overhead frames
- Over-bed tables
- Oximeter and oxisensors (single use or continuous)
- Member room furniture; manual, electric, semi-electric bed
- PCA pump
- Penlight or other flashlight
- PICC Line (reuseable equipment associated with PICC line placement)
- Pill pulverizer
- Pressure bags or pressure infusion equipment
- Radiant warmer
- Sitz baths
- Stethoscopes
- Telephone
- Televisions
- Traction equipment
- Transport isolette
- Wall suction (continuous or intermittent)

Facility charges

Basic hospital room daily charges include supplies associated with personal care, personnel performing nursing or technical services and items associated with room furnishing. These basic room items and supplies are associated with the hospital basic room level and emergency departments, critical care areas, hospital observation areas, treatment rooms, cardiac cath

rooms, surgical suites, pediatric rooms, burn units, neonatal rooms for all neonatal levels, neurological, rehabilitative, recovery and post-anesthesia areas and trauma units. Please note, this is not an all-inclusive list.

- Administration of blood or blood products by nursing staff (see above for tubing, blood bank preparation, and other supplies)
- Administration or application of medications, chemotherapy, IV fluids
- Arterial and/or venipuncture blood collection; injections (therapeutic, prophylactic, or diagnostic)
- Bedside assistance for bedpans, commode use, or bathroom activities
- Assisting physician or other licensed personnel in performing any type of procedures (treatment room, surgical or endoscopy suite, cardiac cath lab, radiology)
- Bathing members
- Body preparation for deceased members
- Cardiopulmonary resuscitation
- Changing of dressing, bandages, ostomy supplies or appliances
- Changing of bedding, linens, member clothes or gowns
- Maintenance of chest tube, dressing changes, discontinuation
- Enemas
- Enterostomal services
- Intubation
- Insertion, removal, maintenance of nasogastric tube
- Maintenance and flushing j-tubes, PEG tubes, feeding tubes (any kind)
- Maintenance of oxygen administration equipment
- Management or participating in cardiopulmonary arrest events including any reporting or documentation of vitals
- Medical record documentation
- Dispensing or preparation of any medications, IV fluids, TPN, and/or tube feedings
- Maintenance or monitoring of IV lines or sites (peripheral or central) including dressing changes, flushes, and care of insertion site
- Monitoring of output devices such as cardiac monitors, oximeters, central venous and arterial lines, arterial pressure outputs
- Neurological status checks
- Nursing care
- Recording and/or obtaining vital signs
- Obtaining specimen collections from stools, arteries, veins, fingers, or any other bodily fluids
- Oxygen monitoring or distribution (see further detail below)
- Member and/or family education and counseling
- Attendance for situations including call back, emergency, standby, stat, or other portable or urgent situations
- PICC Line
- Point of care testing (POC or POCT)
- Post void residuals
- Preoperative testing or services
- Respiratory therapy services (see further detail below)
- Personal care such as showering, oral care, incontinence care, feedings, etc.
- Taking down or setting up equipment (pumps, traction or monitoring equipment, etc.)

- Starting or discontinuing any intravenous lines (IV)
- Telemetry
- Tracheostomy care, suctioning or lavage, and/or changing of cannulas
- Transporting or assisting with ambulation, range of motion, and transferring members to and/or from bed to other seating areas
- Urinary catheterization
- Ventilator management and monitoring (see further detailed below)

Special Care Units also have routine services that would not be separately reimbursed. These rooms or units are required to be equipped with certain supplies and devices to treat critically ill members or treat life-threatening conditions. This includes, but not limited to respirators, cardiac defibrillators, any additional respiratory and/or cardiac monitoring equipment and wall or canister oxygen and compressed air.

REFERENCES

- Medicare Provider Reimbursement Manual, Section 1, Chapter 22, Section 2202.7
- Medicare Provider Reimbursement Manual, Section 1, Chapter 22, Section 2202.6
- Encoder Pro Coding Reference – CPT Assistant Oct 2011

CHANGE / REVIEW HISTORY

Date	Revisions made
Dec. 2, 2024	Updated the "Facility Charges" section
Dec. 16, 2024	Added "Post void residuals" to the list of items / supplies associated with facility charges.