Priority Health	BILLING POLICY No. 075
NEBULIZERS	
Effective date: Apr. 21, 2025 **Date of origin: Feb. 18, 2025**	**Review dates: None yet recorded**

APPLIES TO

- Commercial
- Medicare follows CMS unless otherwise specified
- Medicaid follows MDHHS unless otherwise specified

DEFINITION

A nebulizer is a piece of medical equipment that a patient with asthma or another respiratory condition can use to administer medication directly and quickly to the lungs.

FOR MEDICARE

For indications that do not meet criteria of NCD, local LCD or specific medical policy, a Pre-Service Organization Determination (PSOD) will need to be completed. Find more information on PSOD in our Provider Manual.

POLICY SPECIFIC INFORMATION

One initial dispensing fee will be reimbursed to a pharmacy for the initial supply of inhalation drugs (G0333: Pharmacy dispensing fee for inhalation drug(s); initial 30-day supply as a beneficiary).

This is a one-time lifetime payment:

- For an initial 30-day supply
- Regardless of the number of drugs dispensed
- Regardless of the number of shipments
- Regardless of the number of pharmacies used

Initial dispensing fee and subsequent dispensing fees aren't payable within the same time frame.

The G0333 dispensing fee shouldn't be reported when the supply isn't associated with the initial 30-day supply of inhalation drugs for member. This service will be denied for inaccurate coding.

- Subsequent dispensing fees should be coded with Q0513 for 30 days or Q0514 for 90 days.
    - Q0513: Pharmacy dispensing fee for inhalation drug(s); per 30 days
    - Q0514: Pharmacy dispensing fee for inhalation drug(s); per 90 days
- We won't reimburse both services on same date of service (DOS) or within the monthly frequency of the last dispensing fee service billed.
- When both a 30-day and 90-day supply are dispensed, we won't reimburse both G0513 and G0514. Services should be coded with G0514.

Inhalation drugs must be coded on the same claim as dispensing fee codes. Failure to report together will result in a claim denial of the dispensing fee service.

- Dispensing fees won't be separately payable when saline is supplied.
- Separate reimbursement won't be made for compounding of inhalation drugs or supplies.

Refill for inhalation drugs dispensing fees can be made within 10 days prior to the last dispensing fee (grace period).

Compounded drugs used for inhalation solutions should be coded with J7699. These shouldn't be coded with the individual drugs to make up the compound solution.

- Claim notes should contain the specific drugs, NDC, units used in compound solution
- Invoices for these drugs should be included with claim for processing

Unit dose for inhalation dosage is determined by how it's dispensed to member.

- Single drug for unit dose container: Requires modifier KO except for codes J2545 and Q4074
- Two or more drugs in same unit dose container: Both drugs are coded with modifier KP appended to one code and KQ modifier to the other codes
- Unit dose form codes must be reported with modifier KO, KP or KQ. (Exception: CPT J7620, an FDA-approved unit dose containing more than one drug.)
- Codes defined as FDA approved final product for the unit doses below shouldn't be coded with KP or KQ. This includes J7605, J7606, J2545, J7608, J7613, J7614, J7626, J7631, J7639, J7644, J7669, J7682, J7686 and Q4074.
- Diluent isn't coded separately.
- Units are aligned to CPT code description.

Concentration form:

- KO, KP, KQ modifiers aren't appropriate for inhalation drug codes for concentration form.
- Units are determined by mg or gm for concentration form in alignment with the HCPCS code.
- Sterile saline used to dilute the concentrate form should be coded with A4218.

HCPCS A9270 should be reported for items below as these aren't payable when administered through nebulizer:

- Aztreonam lysine
- Amikacin liposome

Heavy-duty aerosol compressor would include the immersion heater and durable bottle large volume nebulizer when all three are supplied together. This means HCPCS A7017 and E1372 are inclusive to E0585 when provided on the same date of service.

Coding specifics

Equipment

Code	Description
E0565	COMPRESSOR, AIR POWER SOURCE FOR EQUIPMENT WHICH IS NOT SELF-CONTAINED OR CYLINDER DRIVEN
E0570	NEBULIZER, WITH COMPRESSOR
E0572	AEROSOL COMPRESSOR, ADJUSTABLE PRESSURE, LIGHT DUTY FOR INTERMITTENT USE
E0574	ULTRASONIC/ELECTRONIC AEROSOL GENERATOR WITH SMALL VOLUME NEBULIZER
E0575	NEBULIZER, ULTRASONIC, LARGE VOLUME
E0585	NEBULIZER, WITH COMPRESSOR AND HEATER
K0730	CONTROLLED DOSE INHALATION DRUG DELIVERY SYSTEM

Accessories

Code	Description
A4619	FACE TENT

A7003	ADMINISTRATION SET, WITH SMALL VOLUME NONFILTERED PNEUMATIC NEBULIZER, DISPOSABLE
A7004	SMALL VOLUME NONFILTERED PNEUMATIC NEBULIZER, DISPOSABLE
A7005	ADMINISTRATION SET, WITH SMALL VOLUME NONFILTERED PNEUMATIC NEBULIZER, NON-DISPOSABLE
A7006	ADMINISTRATION SET, WITH SMALL VOLUME FILTERED PNEUMATIC NEBULIZER
A7007	LARGE VOLUME NEBULIZER, DISPOSABLE, UNFILLED, USED WITH AEROSOL COMPRESSOR
A7008	LARGE VOLUME NEBULIZER, DISPOSABLE, PREFILLED, USED WITH AEROSOL COMPRESSOR
A7009	RESERVOIR BOTTLE, NON-DISPOSABLE, USED WITH LARGE VOLUME ULTRASONIC NEBULIZER
A7010	CORRUGATED TUBING, DISPOSABLE, USED WITH LARGE VOLUME NEBULIZER, 100 FEET
A7012	WATER COLLECTION DEVICE, USED WITH LARGE VOLUME NEBULIZER
A7013	FILTER, DISPOSABLE, USED WITH AEROSOL COMPRESSOR OR ULTRASONIC GENERATOR
A7014	FILTER, NONDISPOSABLE, USED WITH AEROSOL COMPRESSOR OR ULTRASONIC GENERATOR
A7015	AEROSOL MASK, USED WITH DME NEBULIZER
A7016	DOME AND MOUTHPIECE, USED WITH SMALL VOLUME ULTRASONIC NEBULIZER
A7017	NEBULIZER, DURABLE, GLASS OR AUTOCLAVABLE PLASTIC, BOTTLE TYPE, NOT USED WITH OXYGEN
A7525	TRACHEOSTOMY MASK, EACH
E0580	NEBULIZER, DURABLE, GLASS OR AUTOCLAVABLE PLASTIC, BOTTLE TYPE, FOR USE WITH REGULATOR OR FLOWMETER
E1372	IMMERSION EXTERNAL HEATER FOR NEBULIZER

Inhalation drugs and solutions

Code	Description
A4216	STERILE WATER, SALINE AND/OR DEXTROSE, DILUENT/FLUSH, 10 ML
A4217	STERILE WATER/SALINE, 500 ML
A4218	STERILE SALINE OR WATER, METERED DOSE DISPENSER, 10 ML
G0333	PHARMACY DISPENSING FEE FOR INHALATION DRUG(S); INITIAL 30-DAY SUPPLY AS A BENEFICIARY
J2545	PENTAMIDINE ISETHIONATE, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 300 MG
J7604	ACETYLCYSTEINE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER GRAM
J7605	ARFORMOTEROL, INHALATION SOLUTION, FDA APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, 15 MICROGRAMS
J7607	LEVALBUTEROL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, 0.5 MG
J7608	ACETYLCYSTEINE, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER GRAM
J7609	ALBUTEROL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE, 1 MG
J7610	ALBUTEROL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, 1 MG
J7611	ALBUTEROL, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, CONCENTRATED FORM, 1 MG

J7612	LEVALBUTEROL, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, CONCENTRATED FORM, 0.5 MG
J7613	ALBUTEROL, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE, 1 MG
J7614	LEVALBUTEROL, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE, 0.5 MG
J7615	LEVALBUTEROL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE, 0.5 MG
J7620	ALBUTEROL, UP TO 2.5 MG AND IPRATROPIUM BROMIDE, UP TO 0.5 MG, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME
J7622	BECLOMETHASONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7624	BETAMETHASONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7626	BUDESONIDE, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, UP TO 0.5 MG
J7627	BUDESONIDE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, UP TO 0.5 MG
J7628	BITOLTEROL MESYLATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7629	BITOLTEROL MESYLATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7631	CROMOLYN SODIUM, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 10 MILLIGRAMS
J7632	CROMOLYN SODIUM, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 10 MILLIGRAMS
J7634	BUDESONIDE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER 0.25 MILLIGRAM
J7635	ATROPINE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7636	ATROPINE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7637	DEXAMETHASONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7638	DEXAMETHASONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7639	DORNASE ALFA, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7640	FORMOTEROL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, 12 MICROGRAMS
J7641	FLUNISOLIDE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE, PER MILLIGRAM
J7642	GLYCOPYRROLATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7643	GLYCOPYRROLATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7644	IPRATROPIUM BROMIDE, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7645	IPRATROPIUM BROMIDE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM

J7647	ISOETHARINE HCL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7650	ISOETHARINE HCL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7657	ISOPROTERENOL HCL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7660	ISOPROTERENOL HCL, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7667	METAPROTERENOL SULFATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, CONCENTRATED FORM, PER 10 MILLIGRAMS
J7669	METAPROTERENOL SULFATE, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 10 MILLIGRAMS
J7670	METAPROTERENOL SULFATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 10 MILLIGRAMS
J7676	PENTAMIDINE ISETHIONATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 300 MG
J7677	REVEFENACIN INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, 1 MICROGRAM
J7680	TERBUTALINE SULFATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7681	TERBUTALINE SULFATE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7682	TOBRAMYCIN, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, UNIT DOSE FORM, ADMINISTERED THROUGH DME, PER 300 MILLIGRAMS
J7683	TRIAMCINOLONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, CONCENTRATED FORM, PER MILLIGRAM
J7684	TRIAMCINOLONE, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER MILLIGRAM
J7685	TOBRAMYCIN, INHALATION SOLUTION, COMPOUNDED PRODUCT, ADMINISTERED THROUGH DME, UNIT DOSE FORM, PER 300 MILLIGRAMS
J7686	TREPROSTINIL, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, 1.74 MG
J7699	NOC DRUGS, INHALATION SOLUTION ADMINISTERED THROUGH DME
Q0513	PHARMACY DISPENSING FEE FOR INHALATION DRUG(S); PER 30 DAYS
Q0514	PHARMACY DISPENSING FEE FOR INHALATION DRUG(S); PER 90 DAYS
Q4074	ILOPROST, INHALATION SOLUTION, FDA-APPROVED FINAL PRODUCT, NON-COMPOUNDED, ADMINISTERED THROUGH DME, UNIT DOSE FORM, UP TO 20 MICROGRAMS

If any of the drugs used with a nebulizer are not payable, related services such as the compressor, the nebulizer, and other related accessories and supplies will not be payable.

Frequency

Replacement for accessories:

- **A7006**: 1 per month
- **A7003**: 2 per month
- **A7005**: 1 per 6 months
- **A7015**: 1 per month
- **A7010**: 100 feet per 2 months
- **A7011**: 10 feet per year
- **A7016**: 2 per year

- **A4619**: 1 per month
- **A7013**: 2 per month
- **A7014**: 1 per 3 months
- **E1372**: 1 per 3 years
- **E0580**: 1 per 3 years
- **A7004**: 2 per month
- **A7525**: 1 per month
- **A7012**: 2 per month

Place of service
Home – 12

Documentation requirements
It's essential to clearly detail the member needs and any appropriate detail to support quantities that may exceed the maximum supplies as outlined below. Supplies that exceed the maximums detailed above will require review of medical documentation to support the excess units. Without this specific detail, units exceeding the maximums outlined above remain denied.

Complete and thorough documentation to substantiate the procedure performed is the responsibility of the provider. In addition, the provider should consult any specific documentation requirements that are necessary of any applicable defined guidelines.

- We're aligned to the requirements outlined by CMS for supplies and DME. This is outlined in article A55426. Reference this article for documentation requirements.
- Documentation must support refill requests as outlined in the article above.

Supplies shouldn't be dispensed for more than a three-month quantity:

- Written order for drugs and supplies must be on file and dated prior to receipt of supplies by member
- The narrative in the NTE Segment of electronic claim should outline the number of months being billed. This is in addition to the description of the supplies being provided (if applicable).
- Supplies with DOS during or before a discharge date for an inpatient facility stay will be denied.
- Proof of delivery must be detailed in the medical record. Failure to detail the date of delivery as outlined by CMS in the standard documentation requirements article may result in denial of claim or overpayment recovered.
- Suppliers must avoid delivery of refills in an automated manner – affirmation from members must be obtained before refills are dispensed. Member refill requests must be documented in the medical record.
- Atypical utilization quantities should be validated with treating/ordering physician to confirm and document utilization.

Modifiers

- **EY**: No physician or other licensed health care provider order for this item or service
- **JW**: Drug amount discarded/not administered to any patient
- **JZ**: Zero drug amount discarded/not administered to any patient
- **KO**: Single drug unit dose formulation
- **KP**: First drug of a multiple drug unit dose formulation
- **KQ**: Second or subsequent drug of a multiple drug unit dose formulation
- **KX**: Requirements specified in the medical policy have been met

Incorrect application of modifiers will result in denials. Learn more about modifier use in our Provider Manual.

Resources

- Article: Nebulizers (A52466) (CMS)
- LCD: Nebulizers (L33370) (CMS)
- Nebulizers (Aetna)

DISCLAIMER

Priority Health's billing policies outline our guidelines to assist providers in accurate claim submissions and define reimbursement or coding requirements if the service is covered by a Priority Health member's benefit plan. The determination of visits, procedures, DME, supplies and other services or items for coverage under a member's benefit plan or authorization isn't being determined for reimbursement. Authorization requirements and medical necessity requirements appropriate to procedure, diagnosis and frequency are still required. We use Current Procedural Terminology (CPT), Centers for Medicare and Medicaid Services (CMS), Michigan Department of Health and Human Services (MDHHS) and other defined medical coding guidelines for coding accuracy.

An authorization isn't a guarantee of payment when proper billing and coding requirements or adherence to our policies aren't followed. Proper billing and submission guidelines must be followed. We require industry standard, compliant codes defined by CPT, HCPCS and revenue codes for all claim submissions. CPT, HCPCPS, revenue codes, etc., can be reported only when the service has been performed and fully documented in the medical record to the highest level of specificity. Failure to document for services rendered or items supplied will result in a denial. To validate billing and coding accuracy, payment integrity pre- or post-claim reviews may be performed to prevent fraud, waste and abuse. Unless otherwise detailed in the policy, our billing policies apply to both participating and non-participating providers and facilities.

If guidelines detailed in government program regulations, defined in policies and contractual requirements aren't followed, Priority Health may:

- Reject or deny the claim
- Recover or recoup claim payment

An authorization on file for an item or services doesn't supersede coding, billing or reimbursement requirements.

These policies may be superseded by mandates defined in provider contracts or state, federal or CMS contracts or requirements. We make every effort to update our policies in a timely manner to align to these requirements or contracts. If there's a delay in implementation of a policy or requirement defined by state or federal law, as well as contract language, we reserve the right to recoup and/or recover claim payments to the effective dates per our policy. We reserve the right to update policies when necessary. Our most current policy will be made available in our Provider Manual.

CHANGE / REVIEW HISTORY

Date	Revisions made