

 HAWAII HEALTH SYSTEMS C O R P O R A T I O N "Touching Lives Everyday" Policies and Procedures	Department: Finance	Policy No.: FIN 0527
	Issued by: Kelley Roberson COO/CFO	Revision No.: N/A
Subject: <i>Medical Supply and Equipment Billing Policy</i>	Approved by: Thomas M. Driskill, Jr. President & CEO	Effective Date: January 1, 2007
		Supersedes Policy: N/A
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I. PURPOSE: The purpose of this policy is to document the criteria for billing medical & surgical supplies, equipment and other services.

II. POLICY:

A. Criteria for Billing Supplies

1. Must be directly identifiable to a specific patient and not generally furnished to most patients. Items generally available to all patients receiving services are routine supplies and should not be separately billed. Routine supplies include personal convenience, floor stock, and items generic in nature that are routinely used to perform procedures. These routine supplies should be included in the general cost of the room or procedures where the services are rendered. (Refer to Attachment A for examples of routine supplies.)
2. Must be medically necessary and furnished at the direction of a physician. Documentation in the patients' medical records must be provided.
3. Must not be reusable or represent a cost for each preparation.
4. Must be covered in accordance with current Medicare regulations and guidelines.
 - All items separately reimbursed or required to be separately billed by Medicare shall be billed with the specific HCPCS codes as established by Medicare. (e.g. prosthetics/orthotics, implantable devices, etc.)
 - Non-routine items not separately reimbursed and packaged into the room & board rate or procedure may be separately billed with revenue code 27X and with no HCPCS code. It is recommended to separately bill for items with cost over \$10.00, however, this is left to the discretion of each facility.
5. Statutorily excluded items from Medicare coverage may be billed to patients. An Advanced Beneficiary Notice (ABN) is not required but a Notice of Exclusions from Medicare Benefits (NEMB) is recommended prior to rendering services.

B. Criteria for Equipment

1. Equipment commonly available to patients in a particular setting or ordinarily furnished during the course of a procedure is considered routine and not billed separately. Supplies used in conjunction with the equipment are also considered routine. The cost of the equipment should be incorporated into the charge for the procedure.
2. Whether owned or rented, the cost of equipment is included as allowable facility costs and reimbursed through alternative methods by Medicare. (Refer to Attachment A for examples of equipment not separately billable.)
3. If your facility is an enrolled Durable Medical Equipment (DME) provider, some equipment given to patients for home use is covered and must be billed separately on a 1500 claim form to the durable medical equipment regional carrier (DMERC).
4. Some items that are DME are billable by hospitals. These items are:
 - a. Implanted DME – Includes medical devices that may be separately reimbursed depending on the OPPS status indicator. Some of these implanted devices are required to be billed with the appropriate HCPCS code and revenue code 278 and reported with the related procedures to implant these devices.
 - b. Surgical dressings
 - c. Prosthetics and orthotics, prefabricated – Items must be billed with the appropriate HCPCS codes and revenue code 274 for possible reimbursement under Medicare Part B. These items have the payment indicator 38 and payments are based on the DMEPOS fee schedule.

C. Criteria for Other Services

1. Services administrative in nature should not be separately billed. Examples of these services include after hours/call back time, handling fees, social services, compounding fees, etc. (Refer to Attachment A for examples of these administrative services.)

III. Procedure

- A. Charge Description Master (CDM) shall be established for billable supply items that meet the above criteria. Billable supplies shall be expensed to the respective department's GL sub-account -4102.
- B. Routine and non-chargeable supplies shall either be eliminated from the CDM file or zero priced with revenue code 099 if statistics on usage are necessary for management reporting purposes. Routine and non-chargeable supplies shall be expensed to the respective department's GL sub-account -4103.
- C. Each facility shall establish a process to review their CDMs for medical supplies and equipment at least once a year to ensure compliance with this policy.

Attachment A

Examples of Routine Supplies not Separately Billable:

- Alcohol/ Alcohol wipes
- Armboard
- Attends
- Autolet
- Baby wipes
- Band-aids
- Barrier Remover
- Basins
- Bedpan
- Betadine (cleanser/scrub/solution/ swabstick)
- Cool Wipes
- Cosmetics
- Chux
- Clean catch kit
- Cold Pack
- Combs/Hair brush
- Cotton Balls
- Cotton Tip Applicators
- Dental Cups
- Dental Floss
- Denture Adhesives and Cleansers
- Deodorant
- Deodorizer
- Diapers
- Disposal Bad
- Distilled Water
- Donut
- Drapes
- Ear Temp Probe
- Eggcrate
- Elastic Anklelet
- Elastic Knee Cage
- Elastic Stockings
- Elbow protectors
- Emesis Basins
- Enema Bag
- Enema Set/Kit
- Ensure
- Eye Kits
- Eye Sheet
- First Step / Therapulse
- Flexible Stockaide
- Flush Kits
- Food cradle
- Food scales
- Gait Belt
- Gauze
- Gloves
- Goggles
- Gowns
- Headrest
- Hearing aid batteries
- Hemocult slide
- Hemoclip
- Hibiclens skin cleanser
- House shoes
- Hydrogen peroxide
- Hygiene Kit / Comfort Kit
- Hypodermic Needles
- Incontinence Care and Supplies
- Infection Control Kit
- Inlays
- Insoles
- Instruments
- Kleenex
- Lambswool
- Lancets
- Leg lifters
- Lemon Glycerine swabs
- Lifter
- Limb holder
- Linen
- Lip balm
- Long-handled sponge
- Lotions
- Low air loss mattress
- Masks
- Mast pants/suit
- Maxi Pads
- Metatarsal Pads
- Micropore tape
- Molds & Prints
- Mouth care kit
- Mouthwash
- Nail Hygiene
- Needles
- Nose Tubes
- OB Pads
- Ointment
- Output commode pan
- Paper Tissue/ Kleenex
- Pectin-of
- Perineal Care Tray
- Peripants
- Peri-wash
- Personal belonging bag
- Pillow
- Pillow paw
- Pitchers
- Plastic slide/wooden stick (Pap)
- Powder(s)
- Preparation kits
- Protective Barrier Ointment
- Providone iodine ointment/sticks, swabs
- Pulse Ox probe cover
- Razor/Shaving Cream
- Reacher
- Restraints
- Room deodorizer
- Rubber Sheets
- Sand Bags
- Sanitary napkins
- Scrub
- Shampoo
- Sharps container
- Shears
- Shoehorn
- Shroud
- Skin prep/ prep wipe
- Slipper cast
- Slippers
- Soap(s)
- Specimen Pans
- Sponges
- Sterile specimen bottle
- Sterile Towel
- Steristrips
- Surgicell
- Surgi-pads
- Suture removal set
- Swabs
- Syringes
- Tape or Band-aids
- Ted hose

- Thermometer
- Throat Lozenge
- Tissues
- Tongue depressor
- Toothbrush/toothpaste
- Towels/Wash Cloths
- Transfer Belt
- Underpads
- Uniwash
- Urinal
- Washclothes

Examples of Equipment Items not Separately Billable:

- Bed Rails
- Bed Scale
- Bed, Specialty
- Bili light / Bilirubin light
- Camera
- Cane
- Cardiac Monitor
- Compression device, sequential
- Cool Mist Vaporizer
- Cot
- Cautery machine
- Daily Aspirator
- Defibrillator
- Dinamap
- Ear Temp Probe
- EKG Monitor
- Food Scale
- Gomco Suction
- Heart Lung Resuscitator
- Heat Light
- Incubator
- IV Pumps
- Laser
- Medication Nebulizer / Nebulizer
- Microscope
- Oximeter
- Portable Sitz bath
- Reacher
- Rental Equipment
- Rental Fee
- Scopes
- Shears
- Suction
- Suction Machine
- Tele / Cardiac Monitor
- TENS Unit
- Thermometer
- Traction Equipment
- Trapeze
- Walker Basket
- Wall Suction
- Wheelchairs

Examples of Services not Separately Billable:

- Stat Charges
- Call back / After hours
- Handling Fees
- Shipping Fees
- Stand by
- Cab Service
- Portable Charges
- Nursing Care (included within R&B visit, procedure, etc.)
- Sitter Charges
- Additional Staff ("1:1 Nursing", "RN First Assistant", "Extra Tech", "Additional Personnel")
- Emergency Surcharge
- Daily Isolation Fee
- Newborn Nursing Observation
- Social Services
- Nursing Administration of oxygen or related breathing treatments
- Processing IV Drips
- Compounding Fees
- TPN Fees
- Pharmacist Evaluation or Consultation
- Hyperal Dosing
- Discharge Planning
- Linen Services
- Telephone
- TV/Radio
- Hair Grooming Services