

**THIS CA UPDATE HAS BEEN SENT TO THE FOLLOWING:****COUNTIES:**

- Imperial
- Riverside/San Bernardino
- Los Angeles
- Orange
- Sacramento
- San Diego

**LINES OF BUSINESS:**

- Molina Medi-Cal Managed Care
- Molina Medicare
- Molina Marketplace (Covered CA)

**PROVIDER TYPES:**

- Medical Group/ IPA/MSO**
  - Primary Care**
  - IPA/MSO
  - Directs
- Specialists**
  - Directs
  - IPA
- Hospitals**
  - Ancillary**
  - CBAS
  - SNF/LTC
  - DME
  - Home Health
  - Other

## Payment Integrity – Policy 1 Hospital Routine Supplies and Services Reimbursement

This is an informational notification to Molina Healthcare of California (MHC) network providers regarding Payment Integrity Policy 1: Hospital Routine Supplies and Services Reimbursement.

### **PURPOSE**

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions.

This policy was developed using nationally accepted industry standards and coding principles. In the event of a conflict, federal and state guidelines, as applicable, as well as the member's benefit plan document supersede the information in this policy. Additionally, to the extent there are any conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS).

### **OVERVIEW**

Per CMS Reimbursement Manual – Part 1, Chapter 22, Determination of Cost of Services to Beneficiaries, 2202.6; Routine services in a hospital are those services and supplies included by the provider in a daily service charge-- sometimes referred to as the "room and board" charge. Routine services are composed of two board components: (1) general routine services, and (2) special care units (SCU's) which includes intensive care Units (ICU's). Included in routine services are the regular room, dietary (guest meals) 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. Routine services are not separately billable from the room or procedure as ancillary services. Hospitals/facilities should report all of the ancillary services and their associated charges separately when they are provided, as directed by CMS and the UB Editor. In establishing payment rates for services, Molina Healthcare, Inc. considers the costs of certain items and services into the payment for the hospital services. Molina Healthcare, Inc. considers this standard methodology for packaging costs and will follow this logic for ancillary services and routine services provided on the same day as hospital services.

## **PROCESS**

Routine services are not separately billable and are included in the general cost of the room where services are being rendered. These items, identified on the claim or itemized bill, are not eligible for separate reimbursement and are not eligible to be included in outlier calculations.

Examples of routine services that are supplies are as follows (list is not all-inclusive):

- Items commonly available to patients in a particular setting (i.e., stock on floor)
- Drapes and bed linen
- Personal convenience items (i.e., comfort kits on admission, slippers, powder, lotion, soap etc.)
- Gloves
- Masks
- Gowns (patient and staff)
- Thermometers
- Blood Pressure Cuffs
- Pads
- Oxygen mask and related supplies
- Syringes
- Tourniquet
- Gauze
- Irrigation solutions
- Saline solutions
- Ice bags/packs
- Heating pad (or light)
- Reusable items and equipment
- IV tubing
- Items utilized to obtain specimen, or complete diagnostic or therapeutic procedure
- Oxygen when not used by the patient
- Equipment commonly available to patients in a particular setting and related supplies (hospital owned/rented)
- IV pumps
- Cardiac monitors
- Oximeters
- Blood pressure monitor/cuffs
- Wall suction and related supplies
- Restraints
- Alcohol wipes
- Cotton balls
- Bed pans
- Sitz bath
- Breast pump
- Urinals and bedpans
- Wipes
- Diapers
- Skin cleansing preparations
- Pillows
- Small volume IV bags in the adult (or) large volume IV bags for the neonate
- Kits (e.g., urine culture kits, kits with routine supplies like cotton balls, alcohol wipes, etc.)

Examples of other routine services that are not supplies are as follows (list is not all-inclusive):

- Medication administration
- Blood administration (transfusions)
- TPN administration utilizing central line
- IV insertion (lidocaine for IV insertion and saline flushes, infusion of fluids, assessments)
- Dressing changes (excludes date of surgery and wound vacs)
- Point of care testing such as glucometry testing, POC blood gases, urine dip stick, mobile devices like those used for, but not limited to, electrolytes, metabolites, urinary retention, insertion of peripheral IV lines
- Hemodynamic monitoring
- Surgical preparation for procedures
- Assistance with bedside procedures performed by physicians or other healthcare professionals
- Incremental nursing care
- Blood draws and collection are considered part of routine nursing services when drawn by a RN in a specialty care unit. May include, but not limited to:
  - Arterial lines
  - Peripheral lines (short or midline)
  - Capillary blood collection (with lancet or finger stick devices)
  - Central lines: peripherally inserted (PICC), tunneled central venous catheter, percutaneous non-tunneled, implanted port
- Pharmacy consultations for medication management or patient education
- Oximetry and EKG Tracings done in a specialty care unit
- Respiratory services, including but not limited to:
  - Ventilator management inpatient initial day if performed by a registered nurse (RN)
  - Ventilator management subsequent day if performed by an RN
  - CPAP, Bi-PAP charges when patient has been on a ventilator, if performed by a registered nurse (RN).
  - Allowed for treatment of OSA
  - Any respiratory services performed by an RN are considered part of room and board and are not eligible to be separately reported or reimbursed.

Medications for respiratory services may be charged separately. In the inpatient hospital setting, respiratory services are payable if supported by the following documentation:

- A treating physician's signed written order.
- Documentation in the patient's medical record that the respiratory service was rendered by a Respiratory Therapist.
- Administration of inhaled medication(s) record must be documented in the MAR/eMAR with name and licensure of person administering.
- Any wasted medication (e.g. inhaled medication(s)) must be documented in the MAR/eMAR

## **REFERENCES**

- Medicare Reimbursement Manual – Part 1, Chapter 22, Determination of Cost of Services to Beneficiaries, 2202.6 Routine Services, available at: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals>
- American Association for Respiratory Care (AARC), Coding Guidelines for Certain Respiratory Care Services: (May 2020) <https://www.aarc.org/wp-content/uploads/2014/10/aarc-coding-guidelines.pdf>

**What if you need assistance?**

If you have any questions regarding the notification, please contact your Molina Provider Services Representative below:

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