Reimbursement Policy for Polysomnography Studies and Home Sleep Testing

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 a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of 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). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

Policy Overview

Sleep Studies and Polysomnography (PSG) are medical tests used to diagnose various sleep disorders and assess a patient's response to treatments such as continuous positive airway pressure (CPAP). PSG is distinct from standard sleep studies because it includes sleep staging.

The information in this document is based on the coverage criteria, limitations, medical necessity, and documentation requirements outlined in LCD (Local Coverage Determination) L36839 Polysomnography and Other Sleep Studies.

1. Coverage for diagnostic testing is contingent upon patients exhibiting relevant symptoms or complaints as defined by state and federal guidelines.
2. Patients undergoing diagnostic testing are not categorized as inpatients. If an overnight stay is necessary, it is considered an essential part of the testing process, and appropriate documentation must justify the patient's admission.
3. In most cases, a single polysomnogram and electroencephalogram (EEG) are sufficient for diagnosing sleep apnea. If there is a claim for multiple sessions, compelling medical evidence, in line with CMS Publication 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 70, must be provided to explain the need for additional tests.
4. Typically, diagnosing narcolepsy requires three sleep naps. Claims for more than three naps will require compelling medical evidence to substantiate the need for additional tests.
5. Generally, no more than one Home Sleep Test (HST) is expected within a one-year period. If multiple HST sessions are conducted to diagnose suspected obstructive sleep apnea (OSA), compelling medical evidence will be necessary to justify the extra tests.
6. Normally, no more than two Polysomnography (PSG) sessions are expected within a one-year interval for sleep diagnosis or treatment adjustment. If more than two PSG sessions are performed, comprehensive medical evidence supporting their necessity will be required and subject to review.
7. Services performed beyond established parameters may be subject to review for medical necessity.
8. The routine use of more than one PSG for titrating CPAP therapy is not typically considered reasonable and necessary. Claims for multiple CPAP titration PSGs may require the submission of compelling medical evidence explaining their necessity.
9. Testing should encompass all naps conducted within a single day and is restricted to one (1) unit of service. (For the utilization of CPT (Current Procedural Terminology) code: 95805 MSLT (Multiple Sleep Latency Test), refer to CMS publication A56903)."

Reimbursement Guidelines

Molina Healthcare mandates strict adherence to all relevant coding and billing guidelines for Polysomnography and other sleep studies in compliance with state, federal, and provider contractor regulations. Non-compliance may lead to claim payment delays, denials, and/or the need for claim payment recovery.

Supplemental Information

Definitions

Term	Definition
A/B MAC	Medicare Administrative Contractor is an entity responsible for processing Medicare Part A and Medicare Part B claims within a specific geographic area or jurisdiction, servicing institutional providers, physicians, practitioners, and suppliers.
CMS	Centers for Medicare and Medicaid Services
CPAP	Continuous Positive Airway Pressure
EEG	Electroencephalogram
HST	Home Sleep Test
OSA	Obstructive Sleep Apnea
PSG	Polysomnography

State Exceptions

State	Exception

Documentation History

Type	Date	Action
Published		
Revised Date		

References

This policy was developed using.

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Agency:	Reference links:
CMS	Article - Billing and Coding: Polysomnography and Other Sleep Studies (A56903) (cms.gov) Article - Billing and Coding: Polysomnography and Other Sleep Studies (A57697) (cms.gov) LCD - Polysomnography and Other Sleep Studies (L36839) (cms.gov) LCD - Polysomnography and Other Sleep Studies (L36902) (cms.gov) CMS Publication 100-02, Chapter 15, Section 70