

Supply Policy, Professional

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare reimbursement policies may use Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS) or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms. Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general reference resource regarding UnitedHealthcare's reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, the enrollee's benefit coverage documents and/or other reimbursement, medical or drug policies. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare due to programming or other constraints; however, UnitedHealthcare strives to minimize these variations. UnitedHealthcare may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

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Application

This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form. With the exception of Home Health Care and Durable Medical Equipment, Orthotics and Prosthetic providers billing in place of service 12, this policy applies to all products and all network and non-network physicians and other qualified health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other qualified health care professionals.

Policy

Overview

This policy describes the reimbursement methodology for Healthcare Common Procedure Coding System (HCPCS) codes representing supplies, drugs and other items based on the Place of Service (POS) submitted and Centers for Medicare and Medicaid Services (CMS). The website containing the POS code set can be accessed via this link:

[CMS POS Code Set.](#)

This policy does not apply to Home Health Care and DME providers reporting in a place of service 12 (home).

Reimbursement Guidelines

Supply Reimbursement in a Physician's or Other Qualified Health Care Professional's Office and Other Nonfacility Places of Service

Certain HCPCS supply codes are not separately reimbursable as the cost of supplies is incorporated into the Evaluation and Management (E/M) service or procedure code. UnitedHealthcare will not separately reimburse the

HCPCS supply codes when those supplies are provided on the same day as an E/M service and/or procedure performed in a nonfacility place of service by a physician or other qualified health care professional.

For the purposes of this policy, a nonfacility place of service is considered POS 1, 3, 4, 9, 11, 13, 14, 15, 16, 17, 20, 33, 49, 50, 54, 55, 57, 60, 62, 65, 71, 72, 81 and 99.

[Supply Policy Code List](#)

Casting and Splint Supplies

HCPCS codes A4570, A4580, and A4590 which were previously used for billing of splints and casts are invalid for Medicare use effective July 1, 2001, and new temporary Q codes were established to reimburse physicians and other practitioners for the supplies used in creating casts. Consistent with CMS, UnitedHealthcare does not reimburse HCPCS codes A4570, A4580, and A4590 for casting and splint supplies. Physicians and other qualified health care professionals should use the temporary Q codes (Q4001-Q4051) for reimbursement of casting and splint supplies.

Implantable Tissue Markers

CMS clarifies that implantable tissue markers (HCPCS code A4648) and implantable radiation dosimeters (HCPCS code A4650) are separately billable and payable when used in conjunction with CPT codes 19499, 32553, 49411 or 55876 on a claim for physician services. Consistent with CMS, UnitedHealthcare will allow separate reimbursement for HCPCS codes A4648 and A4650 when billed on the same date of service with either CPT codes 19499, 32553, 49411 or 55876. If A4648 and A4650 are reported in a facility setting or without CPT codes 19499, 32553, 49411, or 55876 they are not separately reimbursable.

Reimbursement for Supplies, DME, Orthotics, Prosthetics, Biologicals, and Drugs Reported with Facility Places of Service 19, 21, 22, 23 and 24

CMS follows a Prospective Payment System (PPS) where Medicare payment is based on a predetermined, fixed amount payable to a facility for inpatient or outpatient facility services. With these fixed rates all costs associated with supplies, DME, orthotics, Prosthetics, biologicals and drugs are deemed included in the global payment to the facility and are not considered separately reimbursable when reported on a CMS-1500 claim form by a physician or other qualified health care professional.

Consistent with CMS, UnitedHealthcare will not allow separate reimbursement for specific HCPCS supplies, DME, orthotics, prosthetics, biologicals, and drugs when submitted on a CMS-1500 claim form by any physician or other qualified health care professional in the following facility POS: 19, 21, 22, 23, and 24. The UnitedHealthcare Supply Facility J-Code Denial Code list and Supply DME Codes in a Facility Setting contains the codes that are not separately reimbursable in a facility place of service.

[Supply Facility J-Code Denial Code List](#)

[Supply DME Codes in a Facility Setting](#)

For the purposes of this policy, a facility place of service is considered POS 19, 21, 22, 23, and 24.

Durable Medical Equipment, Orthotics, Prosthetics, and Related Supplies Reported with Facility Places of Service 31 and 32

In alignment with the CMS PPS reimbursement methodology, UnitedHealthcare considers payment for certain DME, orthotics, prosthetics and related supply items on the CMS Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) fee schedule to be included in the payment to a skilled nursing facility (POS 31) and nursing facility (POS 32) and not reimbursed separately when reported by a physician or other qualified health care professional on a CMS-1500 claim form.

[Supply DME Codes in a Skilled Nursing Facility](#)

For the purposes of this policy, skilled nursing facility and nursing facility places of service are considered POS 31 and 32.

HCPCS Code J3490 and J3590

Local anesthetic agents submitted with HCPCS codes, J3490 (Unclassified drugs) and J3590 (Unclassified biologics) billed with procedures in the range of 10000 – 69999, in POS 11 are not separately reimbursable. The anesthetic agents are integral to the procedures.

HCPCS Code L8680

HCPCS code L8680 (Implantable neurostimulator electrode) is denied in all facility places of service because it is considered included in the reimbursement to the facility (see “Supply DME Codes in a Facility Setting” code list). Code L8680 is also denied in nonfacility places of service when reported with CPT code 63650 (Percutaneous implantation of neurostimulator electrode array, epidural) because the electrodes are considered included in the reimbursement for the procedure. This is in alignment with CMS.

Supply Code 99070 and 99072

For reimbursement of covered medical and surgical supplies, an appropriate Level II HCPCS code must be submitted. The non-specific CPT codes 99070 (supplies and materials, except spectacles, provided by the physician or other qualified health care professional over and above those usually included with the office visit or other services rendered [list drugs, trays, supplies, or materials provided]) and 99072 are not reimbursable in any setting.

Definitions
Prospective Payment System

A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (for example, diagnosis-related groups for inpatient hospital services). CMS uses separate PPSs for reimbursement to acute inpatient hospitals, home health agencies, hospice, hospital outpatient, inpatient psychiatric facilities, inpatient rehabilitation facilities, long-term care hospitals, and skilled nursing facilities.

Questions and Answers

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| 1 | <p>Q: If a member obtains medical supplies such as blood glucose test strips or lancets from a medical supply company, what place of service should the medical supply company report?</p> <p>A: Since the items are for home use, the medical supply company should report with a CMS Place of Service code 12 (Home). Reporting any other place of service code than 12 would be inappropriate when the items are dispensed for home use.</p> |
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Attachments

Supply Policy Code List	A List of HCPCS supply codes not separately reimbursable in an office, nonfacility, or facility place of service.
Supply Facility J-Code Denial Code List	A list of HCPCS drug codes not separately reimbursable in POS 19, 21, 22, 23 and 24.

Supply DME Codes in a Facility Setting	A list of DME codes not separately reimbursable in POS 19, 21, 22, 23 or 24.
Supply DME Codes in a Skilled Nursing Facility	A list of DME, Orthotics, Prosthetics, and related supplies not separately reimbursable in POS 31 or 32.

Resources

American Medical Association, *Current Procedural Terminology (CPT®)* and associated publications and services

Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services

Centers for Medicare and Medicaid Services, Healthcare Common Procedure Coding System, HCPCS Release and Code Sets

History

6/28/2021	Policy Version Change Attachment Section Updated: Supply Policy Code List, and Supply Facility J-Code Denial Code List History Section: Entries prior to 7/7/2019 archived
5/16/2021	Policy Version Change Attachment Section Updated: Supply DME Codes in a Facility Setting
3/28/2021	Policy Version Change Attachment Section Updated: Supply Facility J-Code Denial Code List and Supply DME Codes in a Facility Setting
1/1/2021	Policy Version Change Attachment Section Updated: Supply Policy Code List, and Supply Facility J-Code Denial Code List, Supply DME Codes in Facility Setting List, Supply DME Codes in a Skilled Nursing Facility History Section: Entries prior to 1/1/2019 archived
10/25/2020	Policy Version Change Attachment Section Updated: Supply DME Codes in a Facility Setting
10/19/2020	Policy Version Change Reimbursement Guideline Change Supply Code Section Updated: Language/Code Updates
10/18/2020	Policy Version Change Added section on HCPCS Codes J3490 and J3590
9/27/2020	Policy Version Change Attachment Section Updated: Supply Facility J-Code Denial Code List
9/20/2020	Policy Version Change Attachment Section Updated: Supply Policy Code List
8/9/2020	Policy Version Change Attachment Section Updated: Supply Policy Code List
7/19/2020	Policy Version Change Attachment Section Updated: Supply DME Codes in a Facility Setting
6/28/2020	Policy Version Change Attachment Section Updated: Supply Facility J-Code Denial Code List
5/1/2020	Policy Version Change



	Title Section: Added word "Commercial" to policy header Attachment Section Updated: Supply DME Codes in Facility Setting List
1/12/2020	Policy Version Change Attachment Section Updated: Supply DME Codes in a Facility Setting
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11/17/2019	Policy Version Change Attachment Section Updated: Supply Facility J-Code Denial Code List
10/6/2019	Policy Version Change Attachment Section Updated: Supply DME Codes in a Facility Setting
9/29/2019	Policy Version Change HCPCS Code L8680 section added Attachment Section Updated: Supply DME Codes in a Facility Setting, and Supply Facility J-Code Denial Code List
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