Supply Policy, Professional

| Policy Number | 2018R9037B | Annual Approval Date | 11/14/2018 | Approved By | Reimbursement Policy Oversight Committee |

**IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY**

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

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 Medicare Advantage reimbursement policies 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 (CMS 1450). 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 resource regarding UnitedHealthcare's Medicare Advantage reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Medicare Advantage 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 Medicare Advantage 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, and/or the enrollee's benefit coverage documents**. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Medicare Advantage due to programming or other constraints; however, UnitedHealthcare Medicare Advantage strives to minimize these variations.

UnitedHealthcare Medicare Advantage may modify this reimbursement policy at any time to comply with changes in CMS policy and other national standard coding guidelines by publishing a new version of the reimbursement policy on this website. However, the information presented in this reimbursement policy is accurate and current as of the date of publication. UnitedHealthcare Medicare Advantage encourages physicians and other health care professionals to keep current with any CMS policy changes and/or billing requirements by referring to the CMS or your local carrier website regularly. Physicians and other health care professionals can sign up for regular distributions for policy or regulatory changes directly from CMS and/or your local carrier. UnitedHealthcare's Medicare Advantage reimbursement policies do not include notations regarding prior authorization requirements. Services requiring prior authorization can be found at UnitedHealthcareOnline.com > Notifications/Prior Authorizations.

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** For more information on a specific enrollee's benefit coverage, please call the customer service number on the back of the member ID card or refer to the Administrative Guide.

**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 Centers for Medicare and Medicaid Services (CMS)
Supply Reimbursement in a Physician's or Other Qualified Health Care Professional's Office

Pursuant to CMS policy, certain HCPCS supply codes are not separately reimbursable as the cost of supplies is incorporated into the Practice Expense Relative Value Unit (RVU) for the Evaluation and Management (E/M) service or procedure code. Consistent with CMS, UnitedHealthcare Medicare Advantage 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 physician's or other qualified health care professional's office.

Supplies, Purchased Durable Medical Equipment (DME), Orthotics, Prosthetics, Biologicals, and Drugs submitted with a J Code Reported with a Facility Place of Service

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 hospital services. In addition, CMS reimburses ambulatory surgery centers under an Ambulatory Payment Classification (APC) payment methodology. With these fixed rates all costs associated with drugs and supplies are also deemed included in the global payment to the facility and 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 Medicare Advantage will not allow separate reimbursement for specific HCPCS supplies, purchased DME, orthotics, prosthetics, biologicals, and drugs reported with a HCPCS J code 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 purchase of certain DME, orthotics, and prosthetics will not be separately reimbursed when reported by a physician or health care professional on a CMS-1500 claim form in POS 19, 21, 22, 23 or 24 and the services are reported with no modifier or with one of the following purchase modifiers:

- NU New Equipment (use the NR modifier when DME which was new at the time of rental is subsequently purchased).
- UE Used Equipment
- NR New when rented
- KM Replacement of facial prosthesis including new impression/moulage
- KN Replacement of facial prosthesis using previous master model

Casting and Splint Supplies

HCPCS codes A4570, A4580, and A4590 which were previously used for billing of splints and casts are not covered for Medicare and Q codes were established to reimburse physicians and other qualified health care professionals for the supplies used in creating casts. Consistent with CMS, UnitedHealthcare Medicare Advantage will no longer reimburse HCPCS codes A4570, A4580, and A4590 for casting and splint supplies. Physicians and other qualified health care professionals should be using the 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 Medicare Advantage 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 not reported with at least one of these CPT codes, HCPCS codes A4648 and A4650 are not separately reimbursable.

Supply Code 99070

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

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<th>Term</th>
<th>Description</th>
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<tr>
<td>National Physician Fee Schedule Relative Value File</td>
<td>A public use file that contains information on services covered by the Medicare Physician Fee Schedule (MPFS). The file contains the associated Relative Value Units (RVUs), a fee schedule status indicator, and various payment policy indicators needed for payment adjustment (e.g., payment of assistant at surgery, team surgery, bilateral surgery).</td>
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<tr>
<td>Practice Expense Relative Value Units</td>
<td>The assigned unit value of a particular CPT or HCPCS code for maintaining a practice including rent, equipment, supplies and nonphysician staff costs.</td>
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<tr>
<td>Relative Value Units</td>
<td>The assigned unit value of a particular CPT or HCPCS code. The associated RVU is either from the CMS NPFS Non-Facility Total value or Facility Total value.</td>
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### Resources

- [www.cms.gov](http://www.cms.gov)
- **National Physician Fee Schedule Relative Value File**
- Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services

### History

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<th>Date</th>
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| 11/14/2018 | Annual Policy Approval Date and Version Change  
- Reimbursement Guidelines  
- Codes Section  
Archived through 5/1/2016 |
| 8/31/2018  | Policy number changed from 2017R0006A  
Added the word 'Professional' to the policy title |
| 11/8/2017  | Annual Review (no new version) |
| 3/8/2017   | Policy Approval Date Change (no new version) |
| 1/1/2017   | Annual Review, no changes |
| 11/19/2014 | New Policy |