

# REIMBURSEMENT FOR COMPREHENSIVE AND COMPONENT CPT CODES (CES)

**Policy Number:** ADMINISTRATIVE 043.11C T0

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**Related Policy**

- Modifier Reference (CES)

## INSTRUCTIONS FOR USE

The services described in Oxford policies are subject to the terms, conditions and limitations of the member's contract or certificate. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members. Oxford reserves the right, in its sole discretion, to modify policies as necessary without prior written notice unless otherwise required by Oxford's administrative procedures or applicable state law. The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies.

Certain policies may not be applicable to Self-Funded members and certain insured products. Refer to the member specific benefit plan document or Certificate of Coverage to determine whether coverage is provided or if there are any exclusions or benefit limitations applicable to any of these policies. If there is a difference between any policy and the member specific benefit plan document or Certificate of Coverage, the member specific benefit plan document or Certificate of Coverage will govern.

UnitedHealthcare may also use tools developed by third parties, such as the MCG™ Care Guidelines, to assist us in administering health benefits. The MCG™ Care Guidelines are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.

## APPLICABLE LINES OF BUSINESS/PRODUCTS

This policy applies to Oxford Commercial plan membership.

## PURPOSE

The purpose of this policy is to define the payment methodology utilized by Oxford in determining claims reimbursement when multiple procedures are performed in the same session by the same provider.

## DEFINITIONS

**Correct Coding Initiative:** A system of coding edits developed by CMS in conjunction with AdmanaStar Federal, Inc. to be utilized nationally by all Medicare carriers. The code edits were developed based on review of CPT™ code descriptors, CPT coding instructions and guidelines, local Medicare carrier national edits, and Medicare billing history. The correct coding edits that resulted from this process have now been incorporated into claims processing systems used by Medicare carriers to determine payments to physicians.

**Incidental Procedure:** Procedures that can be performed along with the primary procedure, but are not essential to complete that procedure. Often these codes are identified by CPT nomenclature as "separate procedures."

**Mutually Exclusive Procedure:** Mutually exclusive procedures are a coding combination billed in error that follows one or both of the following criteria: Either the two services cannot reasonably be done in the same session, or the coding combination represents two methods of performing the same service.

**Rebundling/Bundling:** Reimbursement denial for any additional billed services that are components of or inclusive to, or mutually exclusive of a more comprehensive procedure performed in the same session by the same provider.

**Unbundling:** To inappropriately bill more CPT/HCPCS codes than necessary. Applied when certain codes represent procedures that are basic steps to accomplish a primary procedure already on the bill and, by definition, are included in the reimbursement of the primary procedure.

## POLICY

The AMA Current Procedural Terminology (CPT) codebook is a systematic listing of procedures and services performed by physicians. It is a compendium of descriptions that depicts the various medical services available, identified by a five-digit code. The use of the CPT codes allows the physician to accurately identify the services rendered and report for reimbursement. All aspects of medicine or surgical services are subject to certain parameters as part of the reimbursement process.

The process of assigning a CPT code to a procedure or service is dependent on both the procedure performed and the documentation that supports it. When multiple procedures are performed in the same session, only one procedure may be listed as the primary procedure and any additional codes may be considered inherently part of the primary procedure or other billed procedures or mutually exclusive to the procedures. All CPT codes billed are subject to review for Rebundling.

## PROCEDURES AND RESPONSIBILITIES

When two or more related procedures are performed on a patient during a single session or visit, Oxford will reimburse the provider for the comprehensive code and deny or adjust the component, incidental or Mutually Exclusive Procedure performed during the same session. The Rebundling guidelines in this policy are based on The Correct Coding Initiative administered through the Centers for Medicare & Medicaid Services (CMS), AMA Current Procedural Terminology (CPT Code) and additional general industry accepted guidelines.

To rebundle a claim, Oxford claims system utilizes a claims editing software product called Optum™ Claims Editing System (CES). Optum™ Claims Editing provides an extensive set of core rules that utilize historical data to maximize auditing capabilities for claims. This system features flexible editing functions and complete customization capabilities that allow Oxford to develop, customize and update our payment guidelines as necessary. CES contains edits for both professional and facility claims that are specific to each claim type.

The NTIS software provides Oxford with the Correct Coding Rules used by CMS. This software is the same software product used by fiscal intermediaries that process Medicare Fee for Service claims for CMS. The Correct Coding Rules can be found on CMS's website at [www.cms.gov](http://www.cms.gov). The CES software incorporates the quarterly updates that CMS makes to the Correct Coding rules into Oxford's claims processing system. CES contains rules consisting of, among other things, characterizes coding relationships on provider medical bills. CES provides information that allows claims submitters, claims processors and adjudicators to identify potentially incorrect or inappropriate coding relationships by a single provider, for a single patient, on a single date of service. Examples of the rules include incidental, mutually exclusive, Unbundling and visit edits. Sources of the workbook rules include the AMA and CPT publications, CMS and specialty societies.

Please note this Reimbursement policy is subject to Oxford's reimbursement policies and rules. Refer to the Reimbursement Policy titled *Modifier Reference (CES)* for additional information.

## REFERENCES

American Medical Association Current Procedural Terminology

CMS Correct Coding Initiative, 2002, [www.cms.gov](http://www.cms.gov).

Optum™ Website. Claims Editing Services. January 3, 2018. Available at: <https://www.optum.com/solutions/prod-nav/claims-editing-cpl.html>.

POLICY HISTORY/REVISION INFORMATION

Date	Action/Description
03/01/2020	<ul style="list-style-type: none"><li data-bbox="492 184 1023 216">• Routine review; no change to guidelines</li><li data-bbox="492 216 1295 245">• Archived previous policy version ADMINISTRATIVE 043.10C T0</li></ul>