Hospital Routine Supplies and Services

Last Updated: 7/7/2025 **Last Reviewed: 7/14/2025** **Originally Effective: 10/12/2009**

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a **Policy #: RPM043**

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All) **Provider Contract Status:** Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions) **Claim Dates:** All

Reimbursement Guidelines

A. General Policies for All Settings

1. Correct coding and code definitions apply in all circumstances and to all provider types. Whenever a code is billed which includes another service or supply, whether by code definition or by coding guidelines, the included service or supply is not eligible for separate reimbursement.

2. Flushes, Diluents, Saline, Sterile Water, etc.

   Per CPT and CMS[6] guidelines, heparin flushes, saline flushes, IV flushes of any type, and solutions used to dilute or administer substances, drugs, or medications are included in the administration service (see note below for inpatient setting). These items are considered supplies and are not eligible for separate reimbursement. Even though J1642 (Injection, heparin sodium, (heparin lock flush), per 10 units) describes heparin flushes, heparin flushes are not considered a "drug" and are not eligible for separate reimbursement under the fee schedule or provider contract provisions for drugs.

   This applies to all provider types in all settings. In most cases payment for these supplies is included in the administration charge which is reportable with a CPT or HCPCS code. In the Inpatient setting, the administration service is included in the room charge or facility fee, and reimbursement for these supplies is included in the reimbursement for the eligible services.

   Please note:

   - Denials for solutions used to dilute or administer substances will be applied to all hospital claim reviews for all claims with admission dates of service 2/1/2016 and following.
   - For inpatient settings flushes and diluents are included either in the drug charge itself or the drug administration service which is included in room and board nursing care and not separately billable.

3. 99070 for Reporting Supplies, Materials, Supplements, Remedies, etc.

   Correct coding guidelines require that the most specific, comprehensive code available be selected to report services or items billed. [1, 2] We accept HCPCS codes for processing. Therefore, 99070 is never the most specific code available to use to report a supply, drug, tray, or material provided over and above those usually included in a service rendered. Any HCPCS Level II code in the HCPCS book is more specific than 99070. The HCPCS book also includes a wide variety of more specific unlisted codes that should be used in place of 99070 when the billing office cannot identify a listed HCPCS code to describe the supply or material being billed.

4. Capital Equipment

   Capital equipment is used in the provision of services to multiple patients and has an extended life. This equipment is considered a fixed asset of the facility. This equipment or the use of that equipment may not be separately billed.

Where specific procedure codes exist, the services provided with that equipment may be billed as appropriate (e.g., x-rays, dialysis) and in accordance with correct coding and billing guidelines (e.g., no unbundling of oximetry checks, or fluoroscopy in the OR). If specific procedure codes do not exist, in most cases the services provided by that equipment are included in a larger, related service, and are not eligible for separate reimbursement (e.g., thermometer).

"Equipment used multiple times for multiple patients (should be part of facility charge)" and is not separately billable or reimbursable. [14]

Examples of non-billable capital equipment: [15]

- Cardiac monitors
- Cautery machines
- Oximetry monitors
- Scopes
- Lasers
- IV pumps
- Thermometers
- Automatic blood pressure machines and/or monitors
- Anesthesia machines
- Cell Saver equipment
- Instruments
- Microscopes
- Cameras
- Rental equipment
- Neurological Monitors in OR
- Perfusion equipment and supplies in OR
- Bladder Scan equipment
- Fluroscopy and/or Ultrasound in OR
- Cell Saver and related equipment and supplies
- Procedure-specific Tool Kits/Instruments, whether rented, loaned, or purchased (e.g., orthopedic tools for joints, implants, spinal surgeries, etc.)

5. Wasted, Contaminated, Explanted, Defective, or otherwise Opened & Unused Supplies or Implants
   a. We will only reimburse for implants or equipment which are successfully implanted or used for the patient.
      i. If a procedure to implant an IUD, an implantable defibrillator, a stent, or some other item is unsuccessful, depending upon the circumstances and the documentation, the surgical procedure itself may be reportable with a modifier for discontinued procedure. However, the IUD, or equipment itself that was not successfully implanted is not eligible to be reimbursed and may not be reported/billed on the claim.
      ii. The implant log from the surgery will be used to validate the procedure codes and units billed. Only those items listed on the implant log and the operative report as remaining implanted in the patient at the conclusion of the procedure are supported for reimbursement. For example, C1713 Anchor/screw for opposing bone-to-bone or soft tissue-to-bone (implantable).
   b. Defective implants or supplies are to be returned to the supplier for replacement or refund.
   c. Any dropped or otherwise contaminated implants or supplies may not be reported on the claim. These are a practice expense or cost of doing business and are not eligible for reimbursement.

d. Items which are placed and then removed or explanted again before the conclusion of the procedure (whether for size, fit, clinical or other reasons) may not be reported/billed on the claim and are not supported for reimbursement.

B. For Inpatient Hospitals

Facilities will not be reimbursed nor allowed to retain reimbursement for services considered to be non-reimbursable. The following are general categories and lists of examples of inpatient facility charges that are not separately billable or reimbursable, including but not limited to:

1. Routine Supplies

Routine supplies are not separately billable and are items that are included in the general cost of the room where services are being rendered or the reimbursement for the associated surgery or primary procedure. These items, if identified on a claim or itemized bill, are not eligible for separate reimbursement, and are not eligible to be included in outlier calculations for additional reimbursement.

Routine supplies should not be billed in the non-covered charge column on the UB-04. The costs for the routine supplies are covered, because they are factored into the setting or procedure charge. Although they are covered, they are not billed separately. [17]

Examples of routine supply items not separately billable are as follows (list is not all-inclusive): [17]

- Personal convenience supply items
- Gowns used by staff
- Gloves used by staff
- Masks used by staff
- Oxygen when not specifically used by the patient
- Items ordinarily used for or on most patients in that area or department
- Thermometers
- Patient gowns
- Items commonly available to patients in a particular setting (e.g., stock or bulk supply)
- Equipment commonly available to patients in a particular setting or ordinarily furnished to patients during the course of a procedure, whether hospital-owned or rented, and supplies used in conjunction with this equipment
- Oxygen masks and oxygen supplies
- Drapes
- Preparation kits
- Any linen
- Syringes
- Saline solutions
- Irrigation solutions
- Reusable items
- Cardiac monitors
- Oximeters
- IV pumps
- IV tubing
- Blood pressure monitors and/or cuffs
- Thermometers
- Ice bags or packs
- Heat light or heating pad
- Wall suction

- Admission, hygiene, and/or comfort kits or items[15, 18]
- Restraints[15]
- Reusable equipment and items[15, 18, 19]
- Items used to obtain a specimen or complete a diagnostic or therapeutic procedure[16]
- All items and supplies that may be purchased over-the-counter are not separately billable [12]

Items which do not appear on this list *may or may not* be eligible for separate reimbursement, depending upon whether they are considered routine supplies and other additional factors.

2. Components of Room and Board

Many basic services are included as components of room and board charges (revenue codes 0110 – 0174, 0200 – 0214). We consider components of room and board charges as not separately reimbursable. Facilities will not be reimbursed nor allowed to retain reimbursement for services considered to be not separately reimbursable.

a. Nursing care

Nursing care and treatment that are within the scope of normal nursing practice including, but not limited to:

- Admission assessment
- Monitoring of patients
- IV insertion, including lidocaine for IV insertion and saline flushes, assessments, infusion of fluids.
- Specialized IV line placements (PICC line insertions, midline-catheter insertions, etc.)
- Medication administration[24, 25]
- Blood Administration (transfusions), including MTP (Massive Transfusion Protocol or IAT (Intraoperative Autologous Transfusion)
- TPN administration through a central line
- Any respiratory treatment (medications may be separately charged) including, but not limited to:
  - Sputum inductions, bronchial hygiene or airway clearance treatments
  - Incentive spirometry
  - Nebulizer treatment
  - Administration of mucolytics
  - Placement of masks for nebulized medications
- Urinary catheterization, dressing changes, tube feedings, bladder scans with or without PVR (post void residual)
- Point of care (POC) testing, such as urine dip stick, glucometry testing, mobile computer devices such as, but not limited to, those used for the analysis of blood gases, electrolytes, metabolites and urinary retention, and insertion of peripheral IV lines.
- Rectal inserts and related accessories will be denied as not reasonable and necessary because they do not meet the medical evidence requirements outlined in the Centers for Medicare & Medicaid Services (CMS) Program Integrity Manual. Per this policy they are considered misc. incontinence supplies and are not covered for any line of business.[26]
- Assisting with bedside procedures performed by physicians or other qualified healthcare professionals.
- Pre-op holding for inpatient surgery
- Surgical prep for procedures
- Hemodynamic monitoring
- Incremental nursing care – (1:1, ICU/CCU setting, etc.)
- Infant/Newborn Nursery Room Related Charges

    - Newborn car seat testing
    - Newborn hearing screening

b. Floor stock (routine supplies)
    - Urine culture kits
    - Alcohol wipes
    - Cotton balls
    - Thermometers
    - Gloves
    - Bedpans
    - Patient gowns
    - Sitz baths
    - Breast pump
    - Diapers
    - Kits containing routine supplies such as alcohol wipes, cotton balls, etc.

c. All food and meals,[23] including special diets, thickening agents, etc.

d. Other services typically provided to a patient while an inpatient of a hospital.

3. Lab/Pharmacy Services

- Blood draws from capillary, arterial or vascular access devices regardless of practitioner performing the draw and regardless of whether arterial, venous or capillary blood is drawn. Each blood draw or collection is part of the lab test and is not separately reimbursable. This 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
- Low Osmolar Contrast material for inpatient or outpatient radiology procedures
- Point of care (POC) testing, such as:
    - urine dip stick
    - Glucometry testing
    - Mobile computer devices such as, but not limited to, those used for:
- Analysis of blood gases
- Electrolytes
- Metabolites
- Urinary retention
- Insertion of peripheral IV lines
- Etc.

4. Central Supply

- Telemetry batteries, leads
- Batteries for any equipment used during any procedures

5. Equipment

A required component of a specific level of care and the calibration of instrumentation. See also Capital Equipment.

- Cardiac monitors (e.g., in an NICU setting, ICU/CCU, Telemetry or Step-Down, OR and Recovery Room, etc.)
- Oximetry (e.g., in an NICU setting, ICU/CCU, OR, Recovery Room, Emergency Department, etc.)
- Arterial and Swan-Ganz monitors (e.g., in an NICU setting, ICU/CCU, OR, Recovery Room, etc.)
- CO2 End Tidal Monitors, in-line or transcutaneous, or humidified air (e.g., for patients on ventilator, in the OR, etc.)
- Fetal monitors (e.g., in a labor room setting, etc.)
- Transesophageal Echo (TEE) Monitors during Open Heart Surgery (TEE equipment is mandatory in the Open Heart Room, excluding NICU)
- Ventilator (e.g., in OR, Recovery Room, etc.)
- Cell Saver equipment (e.g., in OR, etc.)
- Neurological monitors (e.g., in OR, ICU, etc.)
- Ultrasound guidance for procedures

6. Respiratory Therapy

- Ventilator adjustments if performed by RN
- Ventilator System checks by respiratory therapist
- O2, CPAP, PEEP charges when patient is on ventilator support
- Ventilator weaning and extubation
- Patient's own CPAP/BiPAP machine services
- Respiratory Assessment with treatments
- Oximetry Trending when done by routine monitor
- Endotracheal Suctioning when done with treatments or on ventilator
- Surfactant administration when done by the physician
- Point of care (POC) testing, such as urine dip stick, glucometry testing, mobile computer devices such as, but not limited to, those used for the analysis of blood gases, electrolytes, metabolites and urinary retention, and insertion of peripheral IV lines.

7. Blood Processing/Storage

a. The following revenue codes are used to report blood processing/storage:
   - 0390 – Blood Processing/Storage; General
   - 0392 -- Blood Processing/Storage; Processing and Storage

   NOTE: We do not accept revenue code 0399 – Blood Processing/Storage; Other. Charges submitted under 0399 will be denied to provider responsibility. [E]

b. The below charge descriptions are considered included in the primary Blood Processing/Storage revenue code 390 or 392 and are not separately reimbursed: [27]
   - Blood product collection
   - Safety testing (Including but not limited to Hep C, Hep B, HIV, Viral and Bacterial testing, Blood Typing, Crossmatching, adverse reaction testing)
   - Retyping
   - Pooling
   - Irradiating
   - Leukocyte-reducing
   - Freezing

- Thawing blood products
- Cost of blood delivery (e.g., transportation costs)
- Cost of blood monitoring
- Cost of blood storage
- Splitting

Definitions

Acronyms/Abbreviations

Acronym	Definition
AMA	American Medical Association
BiPAP	Bilevel Positive Airway Pressure
DM	Coronary Care Unit, or Critical Care Unit
CMS	Centers for Medicare and Medicaid Services
CPAP	Continuous Positive Airway Pressure
CPT	Current Procedural Terminology
DRG	Diagnosis Related Group (also known as/see also MS DRG)
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
IAT	Intraoperative Autologous Transfusion
ICU	Intensive Care Unit
IUD	Intrauterine Device
IV	Intravenous
MS DRG	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
MTP	Massive Transfusion Protocol
NAS	Noridian Administrative Services
O2	Oxygen
PEEP	Positive end-expiratory pressure
PICC	Peripherally inserted central catheter
POC	Point of care
RPM	Reimbursement Policy Manual (e.g., in context of “RPM052” policy number, etc.)
TEE	Transesophageal Echo
TPN	Total Parenteral Nutrition
UB	Uniform Bill

Definition of Terms

Term	Definition
Routine Supplies	Routine supplies are defined as items which are: • Included in the general cost of the room where the service is being delivered (i.e., patient room, operating room, cast room, etc.) or as part of the procedure performed. These items are generally made available to a patient receiving service in that particular setting. • Customarily used during the course of treatment. • Necessary or otherwise integral to the provision of a specific service and/or to the delivery of services in a specific location • Normally found in the floor stock and/or generally used by all patients in that specific area/or location. Routine supplies are included in the reimbursement of room and board or the procedure with which they are associated. They should not be separately billed to a patient or a payor. Nor are they allowable for use in apportioning costs under the Medicare Program. [7, 12, 15]

Procedure codes (CPT & HCPCS):

See "Medical, Surgical, and Routine Supplies (including but not limited to 99070)." [B]

Related Policies

A. "Moda Health Reimbursement Policy Overview." Moda Health Reimbursement Policy Manual, RPM001.
B. "Medical, Surgical, and Routine Supplies (including but not limited to 99070)." Moda Health Reimbursement Policy Manual, RPM021.
C. "Facility Guidelines, General Overview." Moda Health Reimbursement Policy Manual, RPM065.
D. "Facility DRG Validation." Moda Health Reimbursement Policy Manual, RPM069.
E. "Revenue Codes Ending in "9" ("Other" Categories)." Moda Health Reimbursement Policy Manual, RPM042.
F. "Modifier 52 – Reduced Services," Moda Health Reimbursement Policy Manual, RPM003.

Resources

1. American Medical Association. "Introduction - Instructions for Use of the CPT Codebook." *Current Procedural Terminology (CPT)*. Chicago: AMA Press.
2. "Coding Standards – Levels of Use." *HCPCS Level II.* OptumInsight.
3. CMS. "Determination Of Cost Of Services To Beneficiaries." *Medicare Provider Reimbursement Manual* (Pub. 15-1). Chapter 22. http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Paper-Based-Manuals-Items/CMS021929.html
4. "Standards and Scope of Practice for the Licensed Practical Nurse and Registered Nurse." Oregon State Board of Nursing, Nurse Practice Act. https://public.health.oregon.gov/HealthyPeopleFamilies/Youth/HealthSchool/SchoolBasedHealthCenters/Documents/Training1108_NursePracticeAct.pdf
5. "Nursing Care." Washington State Legislature, Revised Code of Washington (RCW), Chapter 18.79. http://apps.leg.wa.gov/rcw/default.aspx?cite=18.79
6. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 11 Medicine, § B Therapeutic or Diagnostic Infusions/Injections and Immunizations & § N Chemotherapy Administration.

7. Nave, Shelley, RHIA CPC-H. "Hospital Supplies—To Bill or Not To Bill?" *Coding & Compliance Focus News*, December 2011: pages 3 – 5.
8. Noridian Administrative Services (NAS). *Routine Hospital Supplies and Services (Not Separately Billable)*. Noridian - Part A Open Door Coverage Meeting Minutes October 29, 2009 Geographic Jurisdiction-Idaho/Oregon.
9. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including OPPS), §10.4.
10. *Medicare Desk Reference for Hospitals*. OptumInsight, Inc, 2013.
11. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, §A, "Introduction".
12. Noridian. *Medicare Part A Open Door Coverage Meeting Minutes October 29, 2009.* Last accessed September 5, 2013. https://www.noridianmedicare.com/provider/updates/docs/OpenCoverageMinutes_101909.pdf.
13. *Uniform Billing Editor*. OptumInsight, Inc, 2013.
14. AdminaStar Federal Bulletins: 95-05-02 and 95-10-12.
15. AdminaStar Supplies Guidelines. AdminaStar Medicare FI. February 18, 2012: September 6, 2013. http://www.docstoc.com/docs/113740447/Download-File43 .
16. DeWald, Lora A., Med, RHIA, CCS, CCS-P. "Facility Coding and Reporting of Supplies." *CodeWrite Community News,* January 2004: pages 1 - 3. AHIMA.
17. "Supply Items." *Medicare Desk Reference for Hospitals*. OptumInsight, Inc, 2013, pp 904 - 907.
18. "Not Separately Billable Supplies – All Facilities." Blue Cross of Kansas 2006 Revenue Code Manual. Blue Cross of Kansas, Kansas Medicare FI. (Updated to "Supplies/Services Not Separately Chargeable to Blue Cross and Blue Shield of Kansas." Blue Cross Blue Shield of Kansas. January 1, 2014; September 28, 2015. http://bcbsks.com/CustomerService/Providers/Publications/institutional/manuals/pdf/NotSepChargeableItems.pdf)
19. Unidentified Medicare Fiscal Intermediary, quoted and included in Administar Supplies Guidelines, 2012, pages 11 - 15.
20. Noridian Administrative Services (NAS). "2002 Changes and Corrections." Noridian - Medicare Part B News, Issue # 194, page 24.
21. American Medical Association. "Hydration, Therapeutic, Prophylactic, Diagnostic Injections and Infusions, and Chemotherapy and Other Highly Complex Drug or Highly Complex Biologic Agent Administration." CPT book guidelines, 2015 Professional Edition, Chicago: AMA Press. Page 621.
22. American Medical Association. "Reporting Drug Administrations Services for 2006." *CPT Assistant, November 2005.* Page 1.
23. CMS. "Inpatient hospital care." Medicare.gov. Last accessed 8/22/2019. https://www.medicare.gov/coverage/inpatient-hospital-care .
24. CMS. *Benefit Policy Manual* (Pub. 100-02). Chapter 1 - Inpatient Hospital Services Covered Under Part A, §20.
25. CMS. Provider Reimbursement Manual - Part 1. Chapter 22, Determination of Cost of Services To Beneficiaries, § 2203.
26. CMS. "Examples of Medicare Fraud." *Medicare Program Integrity Manual* (Pub. 100-8). Chapter 4, §4.2.1.
27. CMS. *Medicare Claims Processing Manual* (Pub. 100-4). Chapter 4 – Part B Hospital (Including OPPS), §231.

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
7/14/2025	Clarified unused supplies or implants (for various reasons) are not eligible for reimbursement. Previously addressed in Reduced Services.[F] Definition of Terms added. Coding Guidelines section retired; see Resources section. Procedure code tables replaced by link to RPM021. Acronyms & Related Policies updated. Minor rewording. Formatting updated. No policy changes.
7/10/2024	Formatting updates. No policy changes.
7/12/2023	Clarified nursery room bundled charges, blood processing/storage billing requirements and what is included. Coding Guidelines, Related Policies, and Resources updated. Formatting updates. No policy changes.
7/13/2022	Acronyms, Coding Guidelines, & Resources updated. Formatting updates. No policy changes.
11/12/2015	Policy document initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
10/12/2009	Original Effective Date (with or without formal documentation). Policy based on correct coding guidelines and CMS policy for Hospital Routine Supplies and Services.