**Scope**

This policy applies to all Commercial medical plans, Medicare Advantage plans, and Oregon Medicaid/EOCCO plans. This policy applies to inpatient hospital facilities.

- For contracted facilities, this policy is effective for dates of service 10/01/2017.
- For out of network facilities, this policy is effective upon initial publication.

**Reimbursement Guidelines**

In the inpatient hospital setting Moda Health will limit reimbursement for Respiratory Services to one unit/charge per date of service for each of the following categories of services:

- Respiratory therapy performed by a Respiratory Therapist(s), regardless of the number of times per day a Respiratory Therapist(s) provides care or therapy services.
- Ventilator (invasive or non-invasive) management, regardless of the number of times a Respiratory Therapist(s) reviews the equipment settings

Additional units or charges for the same date of service are not eligible for separate reimbursement, regardless of the description variations, HCPCS codes, or revenue codes used.

Any respiratory services performed by a registered nurse (RN), are considered part of room and board, and are not eligible to be separately reported or reimbursed.

Inpatient hospitals will not be reimbursed, nor allowed to retain reimbursement for services considered to be non-reimbursable or not eligible for separate reimbursement.

**Documentation requirements:**

In the inpatient hospital setting, Respiratory Therapy must be supported by the following documentation:

- A treating physician's signed written order.
- Documentation in the patient's medical record that the respiratory service was rendered by a Respiratory Therapist.
• Administration of inhaled medication(s) record must be documented in the MAR/eMAR with name and licensure of person administering.
• Any wasted medication (e.g. inhaled medication(s)) must be documented in the MAR/eMAR.

Respiratory Care (Respiratory Therapy) Services
Respiratory care (respiratory therapy) services may include, but are not limited to the following:
• Application techniques to support oxygenation and ventilation in an acute illness (e.g., establish/maintain artificial airway, ventilator therapy, precise delivery of oxygen concentrations, aid in removal of secretions from pulmonary tree, etc.)
• Therapeutic use/monitoring of medicinal gases, pharmacologically active mists and aerosols, and equipment (e.g., resuscitators, ventilators)
• Bronchial hygiene therapy (e.g., deep breathing, coughing exercises, IPPB (intermittent positive pressure breathing), postural drainage, chest percussion/vibration and other chest physiotherapy treatments, and nasotracheal/endotracheal suctioning)
• Periodic assessment of the patient for the effectiveness of respiratory therapy services when not performed during a treatment session

Ventilator Management Respiratory Services
Ventilator Management may be billed for patients on a ventilator, CPAP, or BiPAP machine for any portion of the day outside of the Operating Room/Recovery Room.

Ventilator management by a respiratory therapist includes, but is not limited to, the following:
• Evaluation and assessment for changes in the patient's condition, particularly in situations where the patient's respiratory status is unstable and may change suddenly and unpredictably, and require medical treatment.
• Changes in ventilator setting as a result of change in patient condition.

Respiratory Services Not Separately Billable, Not Eligible for Separate Reimbursement
The following are general categories and lists of examples of inpatient facility Respiratory Therapy charges that are not separately billable or reimbursable, as they are an integral part of the therapy. These services include, but are not limited to:
• Ventilator adjustments if performed by RN
• Ventilator System set up or checks by respiratory therapist
• Equipment Change (All Non-Invasive and Invasive) from one type of respiratory assist device to another
• More than one type of respiratory support (for example: mechanical ventilation and CPAP) at the same time, unless there is clinical documentation to support that the member requires different levels of respiratory support.
• Ventilator weaning and extubation
• Spontaneous Breathing Screen/Trial
• Setting or Device Adjustment of Non-emergent Non-Invasive
• Setting or Device Adjustment of Emergent Non-Invasive
• Setting Adjustment - Invasive Mechanical Ventilation
• Transport/MRI Ventilator Use During Invasive Mechanical Ventilation
• Transport on Vent by Respiratory during an inpatient/outpatient stay
• Ventilator Circuit Change - Invasive Mechanical Ventilation
• Therapeutic Ventilatory Maneuver (Recruitment Maneuver)
• Oral Care (Vent Bundle, Vent-Acquired Pneumonia Prevention Activities)
• Supplemental Oxygen System-Setup
• Supplemental Oxygen Patient/System-Assessment
• Supplemental Oxygen Equipment Change
• Heated Humidified High-Flow Nasal Cannula System-Setup
• Heliox by Ventilator - Initial Setup
• Specialty Gas Cylinder Change
• Static Pressure/Volume Loop
• Diaphragmatic EMG Sensor Catheter Placement
• Esophageal Pressure Monitoring via Esophageal Balloon Catheter
• FRC (Functional Residual Capacity) Determination During Mechanical Ventilation
• Esophageal Balloon Catheter Placement
• Respiratory Assessment and/or Respiratory Protocol Assessment, whenever performed (with or without treatment)
• Respiratory therapy consultations for instruction on the use of equipment, such as incentive spirometers, or other such breathing apparatuses or techniques. Such patient education is included during the treatment and thus not separately reimbursable.
• Saline diluents used with/for inhalation treatment
• Tracheostomy Tube Care
• Assist with intubation charge in addition to intubation charge
• External Chest Wall Oscillation
• Placement or Change of In-line Suction Catheter
• Oximetry Check and/or Trending when done by routine monitor
• End Tidal Carbon Dioxide System-Setup and/or monitoring (expired gas determination)
• Transcutaneous Monitoring Initial System Setup and/or monitoring
• Patient Monitoring During Percutaneous Tracheotomy
• Monitoring During Laryngoscopy Assistance
• Monitoring During Therapeutic Bronchoscopy
• Monitoring Patient Airway for Conscious Sedation
• Monitoring Patient During Cardioversion or Cath Lab Intervention
• Monitoring During Early Mobilization of Ventilator Patient
• Monitoring During Rapid Response Team Notification
• Inpatient Sleep Apnea Monitoring System-Setup and monitoring
• Bedside Pulmonary Mechanics
• Patient Screening for Sleep Apnea
• Endotracheal Suctioning when done with treatments or on ventilator
• Incentive Spirometry set up and demonstration for patient at bedside
• Surfactant administration when done by the physician
• Mini Bronchoalveolar Lavage Test
• RSV (respiratory syncytial virus) Culture - Nasopharyngeal Lavage
• RSV Culture - Swab
• Arterial Blood Sampling via Indwelling Catheter
• Capillary Blood Gas Testing (see venipuncture policy)
• Ventilator maintenance and calibration
• Cleaning of internal or external components of ventilator
Background Information

This policy was implemented as a result of recent CMS changes in their respiratory guidelines for reimbursement and ongoing Moda reviews of hospital claims billing for respiratory services. Moda wishes to clarify what respiratory services are billable and reimbursed.

Codes, Terms, and Definitions

[Use any sections needed, delete any subsections not needed for a particular policy.]

Acronyms Defined

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMS</td>
<td>Centers for Medicare and Medicaid Services</td>
</tr>
<tr>
<td>E/M</td>
<td>Evaluation and management (service)</td>
</tr>
<tr>
<td>eMAR</td>
<td>Medication Administration Record, electronic version</td>
</tr>
<tr>
<td>MAR</td>
<td>Medication Administration Record</td>
</tr>
<tr>
<td>RC</td>
<td>Respiratory Care</td>
</tr>
<tr>
<td>RT</td>
<td>Respiratory Therapy</td>
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</tbody>
</table>

Definition of Terms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medication Administration Record (MAR or eMAR)</td>
<td>The report or document that serves as a record of the drugs administered to a patient at a facility by a health care professional.</td>
</tr>
<tr>
<td>Respiratory Care (RC), Respiratory Therapy (RT)</td>
<td>Services prescribed by a physician or a non-physician practitioner for the assessment and diagnostic evaluation, treatment, management, and monitoring of patients with deficiencies and abnormalities of cardiopulmonary function.</td>
</tr>
</tbody>
</table>

Procedure codes (CPT & HCPCS):

<table>
<thead>
<tr>
<th>Code</th>
<th>Code Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>94002</td>
<td>Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; hospital inpatient/observation, initial day</td>
</tr>
<tr>
<td>94003</td>
<td>Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; hospital inpatient/observation, each subsequent day</td>
</tr>
<tr>
<td>Code</td>
<td>Code Description</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>94004</td>
<td>Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; nursing facility, per day</td>
</tr>
<tr>
<td>94010</td>
<td>Spirometry, including graphic record, total and timed vital capacity, expiratory flow rate measurement(s), with or without maximal voluntary ventilation</td>
</tr>
<tr>
<td>94011</td>
<td>Measurement of spirometric forced expiratory flows in an infant or child through 2 years of age</td>
</tr>
<tr>
<td>94012</td>
<td>Measurement of spirometric forced expiratory flows, before and after bronchodilator, in an infant or child through 2 years of age</td>
</tr>
<tr>
<td>94013</td>
<td>Measurement of lung volumes (ie, functional residual capacity [FRC], forced vital capacity [FVC], and expiratory reserve volume [ERV]) in an infant or child through 2 years of age</td>
</tr>
<tr>
<td>94060</td>
<td>Bronchodilation responsiveness, spirometry as in 94010, pre- and post-bronchodilator administration</td>
</tr>
<tr>
<td>94070</td>
<td>Bronchospasm provocation evaluation, multiple spirometric determinations as in 94010, with administered agents (eg, antigen[s], cold air, methacholine)</td>
</tr>
<tr>
<td>94150</td>
<td>Vital capacity, total (separate procedure)</td>
</tr>
<tr>
<td>94200</td>
<td>Maximum breathing capacity, maximal voluntary ventilation</td>
</tr>
<tr>
<td>94250</td>
<td>Expired gas collection, quantitative, single procedure (separate procedure)</td>
</tr>
<tr>
<td>94375</td>
<td>Respiratory flow volume loop</td>
</tr>
<tr>
<td>94400</td>
<td>Breathing response to CO2 (CO2 response curve)</td>
</tr>
<tr>
<td>94450</td>
<td>Breathing response to hypoxia (hypoxia response curve)</td>
</tr>
<tr>
<td>94610</td>
<td>Intrapulmonary surfactant administration by a physician or other qualified health care professional through endotracheal tube</td>
</tr>
<tr>
<td>94620</td>
<td>Pulmonary stress testing; simple (eg, 6-minute walk test, prolonged exercise test for bronchospasm with pre- and post-spirometry and oximetry)</td>
</tr>
<tr>
<td>94621</td>
<td>Pulmonary stress testing; complex (including measurements of CO2 production, O2 uptake, and electrocardiographic recordings)</td>
</tr>
<tr>
<td>94640</td>
<td>Pressurized or nonpressurized inhalation treatment for acute airway obstruction for therapeutic purposes and/or for diagnostic purposes such as sputum induction with an aerosol generator, nebulizer, metered dose inhaler or intermittent positive pressure breathing (IPPB) device</td>
</tr>
<tr>
<td>94642</td>
<td>Aerosol inhalation of pentamidine for pneumocystis carinii pneumonia treatment or prophylaxis</td>
</tr>
<tr>
<td>94644</td>
<td>Continuous inhalation treatment with aerosol medication for acute airway obstruction; first hour</td>
</tr>
<tr>
<td>94645</td>
<td>Continuous inhalation treatment with aerosol medication for acute airway obstruction; each additional hour (List separately in addition to code for primary procedure)</td>
</tr>
<tr>
<td>94660</td>
<td>Continuous positive airway pressure ventilation (CPAP), initiation and management</td>
</tr>
<tr>
<td>Code</td>
<td>Code Description</td>
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<tr>
<td>--------</td>
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<tr>
<td>94662</td>
<td>Continuous negative pressure ventilation (CNP), initiation and management</td>
</tr>
<tr>
<td>94664</td>
<td>Demonstration and/or evaluation of patient utilization of an aerosol generator, nebulizer, metered dose inhaler or IPPB device</td>
</tr>
<tr>
<td>94667</td>
<td>Manipulation chest wall, such as cupping, percussing, and vibration to facilitate lung function; initial demonstration and/or evaluation</td>
</tr>
<tr>
<td>94668</td>
<td>Manipulation chest wall, such as cupping, percussing, and vibration to facilitate lung function; subsequent</td>
</tr>
<tr>
<td>94669</td>
<td>Mechanical chest wall oscillation to facilitate lung function, per session</td>
</tr>
<tr>
<td>94680</td>
<td>Oxygen uptake, expired gas analysis; rest and exercise, direct, simple</td>
</tr>
<tr>
<td>94681</td>
<td>Oxygen uptake, expired gas analysis; including CO2 output, percentage oxygen extracted</td>
</tr>
<tr>
<td>94690</td>
<td>Oxygen uptake, expired gas analysis; rest, indirect (separate procedure)</td>
</tr>
<tr>
<td>94726</td>
<td>Plethysmography for determination of lung volumes and, when performed, airway resistance</td>
</tr>
<tr>
<td>94727</td>
<td>Gas dilution or washout for determination of lung volumes and, when performed, distribution of ventilation and closing volumes</td>
</tr>
<tr>
<td>94728</td>
<td>Airway resistance by impulse oscillometry</td>
</tr>
<tr>
<td>94750</td>
<td>Pulmonary compliance study (eg, plethysmography, volume and pressure measurements)</td>
</tr>
<tr>
<td>94760</td>
<td>Noninvasive ear or pulse oximetry for oxygen saturation; single determination</td>
</tr>
<tr>
<td>94761</td>
<td>Noninvasive ear or pulse oximetry for oxygen saturation; multiple determinations (eg, during exercise)</td>
</tr>
<tr>
<td>94762</td>
<td>Noninvasive ear or pulse oximetry for oxygen saturation; by continuous overnight monitoring (separate procedure)</td>
</tr>
<tr>
<td>94770</td>
<td>Carbon dioxide, expired gas determination by infrared analyzer</td>
</tr>
<tr>
<td>94799</td>
<td>Unlisted pulmonary service or procedure</td>
</tr>
</tbody>
</table>

**Coding Guidelines & Sources** - (Key quotes, not all-inclusive)

“Most HCPCS/CPT code defined procedures include services that are integral to them. Some of these integral services have specific CPT codes for reporting the service when not performed as an integral part of another procedure. Other integral services do not have specific CPT codes. (For example, wound irrigation is integral to the treatment of all wounds and does not have a HCPCS/CPT code.) Services integral to HCPCS/CPT code defined procedures are included in those procedures based on
the standards of medical/surgical practice. It is inappropriate to separately report services that are
integral to another procedure with that procedure.” (CMS5)

“J. Pulmonary Services
8. CPT code 94640 (pressurized or non-pressurized inhalation treatment for acute airway
obstruction...) describes either treatment of acute airway obstruction with inhaled medication or the
use of an inhalation treatment to induce sputum for diagnostic purposes. CPT code 94640 should only
be reported once during an episode of care regardless of the number of separate inhalation
treatments that are administered. If CPT code 94640 is used for treatment of acute airway
obstruction, spirometry measurements before and/or after the treatment(s) should not be reported
separately. It is a misuse of CPT code 94060 to report it in addition to CPT code 94640. The inhaled
medication may be reported separately.
9. CPT code 94640 (pressurized or non-pressurized inhalation treatment for acute airway
obstruction...) and CPT code 94664 (demonstration and/or evaluation of patient utilization of an
aerosol generator...) generally should not be reported for the same patient encounter. The
demonstration and/or evaluation described by CPT code 94664 is included in CPT code 94640 if it
utilizes the same device (e.g., aerosol generator) that is used in the performance of CPT code 94640.
If performed at separate patient encounters on the same date of service, the two services may be
reported separately.” (CMS6)

“Routine supplies are items used during the normal course of treatment, which are directly related
to and/or integral to the performance of separately payable therapy, treatments, procedures, or
services. These supplies are customarily used during the course of treatment and are normally found
in the floor stock, which are generally used by all patients in that specific area/or location.” (Nave7)

Cross References
A. “Routine Venipuncture and/or Collection of Specimens.” Moda Health Reimbursement
B. “Drugs and Biologicals, Wastage and/or Discarded Amounts (Modifier JW).” Moda Health
C. “Hospital Routine Supplies and Services.” Moda Health Reimbursement Policy Manual,
   RPM043.

References & Resources
1. Local Coverage Determination (LCD): Respiratory Therapy (Respiratory Care) (L34430)
   Washington State Legislature, WACs, Title 182, Chapter 182-550-1050 Hospital Services
   Definition – Room and Board, Bedside Nursing Services.


IMPORTANT STATEMENT

The purpose of Moda Health Reimbursement Policy is to document payment policy for covered medical and surgical services and supplies. Health care providers (facilities, physicians and other professionals) are expected to exercise independent medical judgment in providing care to members. Reimbursement policy is not intended to impact care decisions or medical practice.

Providers are responsible for accurately, completely, and legibly documenting the services performed. The billing office is expected to submit claims for services rendered using valid codes from HIPAA-approved code sets. Claims should be coded appropriately according to industry standard coding guidelines (including but not limited to UB Editor, AMA, CPT, CPT Assistant, HCPCS, DRG guidelines, CMS’ National Correct Coding Initiative (CCI/NCCI) Policy Manual, CCI table edits and other CMS guidelines).

Benefit determinations will be based on the applicable member contract language. To the extent there are any conflicts between the Moda Health Reimbursement Policy and the member contract language, the member contract language will prevail, to the extent of any inconsistency. Fee determinations will be based on the applicable provider contract language and Moda Health reimbursement policy. To the extent there are any conflicts between Reimbursement Policy and the provider contract language, the provider contract language will prevail.