

	<b>Reimbursement Policy Manual</b>		Policy #:	RPM047
<b>Policy Title:</b>	<b>Facility Reimbursement of Respiratory Therapy Services</b>			
<b>Section:</b>	<b>Facility-Specific</b>	<b>Subsection:</b>	<b>Inpatient</b>	
<b>Scope:</b>	This policy applies to the following Medical (including Pharmacy/Vision) plans:			
<b>Companies:</b>	<input checked="" type="checkbox"/> All Companies: Moda Partners, Inc. and its subsidiaries & affiliates <input type="checkbox"/> Moda Health Plan <input type="checkbox"/> Moda Assurance Company <input type="checkbox"/> Summit Health Plan <input type="checkbox"/> Eastern Oregon Coordinated Care Organization (EOCCO) <input type="checkbox"/> OHSU Health IDS			
<b>Types of Business:</b>	<input checked="" type="checkbox"/> All Types <input type="checkbox"/> Commercial Group <input type="checkbox"/> Commercial Individual <input type="checkbox"/> Commercial Marketplace/Exchange <input type="checkbox"/> Commercial Self-funded <input type="checkbox"/> Medicaid <input type="checkbox"/> Medicare Advantage <input type="checkbox"/> Short Term <input type="checkbox"/> Other: _____			
<b>States:</b>	<input checked="" type="checkbox"/> All States <input type="checkbox"/> Alaska <input type="checkbox"/> Idaho <input type="checkbox"/> Oregon <input type="checkbox"/> Texas <input type="checkbox"/> Washington			
<b>Claim forms:</b>	<input checked="" type="checkbox"/> CMS1500 <input checked="" type="checkbox"/> CMS1450/UB (or the electronic equivalent or successor forms)			
<b>Date:</b>	<input checked="" type="checkbox"/> All dates <input type="checkbox"/> Specific date(s): _____ <input type="checkbox"/> Date of Service; For Facilities: <input type="checkbox"/> n/a <input type="checkbox"/> Facility admission <input type="checkbox"/> Facility discharge <input type="checkbox"/> Date of processing			
<b>Provider Contract Status:</b>	<input checked="" type="checkbox"/> Contracted directly, any/all networks <input checked="" type="checkbox"/> Contracted with a secondary network <input checked="" type="checkbox"/> Out of Network			
Originally Effective:	4/19/2017	Initially Published:	6/14/2017	
Last Updated:	7/10/2024	Last Reviewed:	7/10/2024	
Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No				
Last Update Effective Date for Texas:		7/10/2024		

## Reimbursement Guidelines

### A. General Policy Statements

1. 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:
  - a. 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.
  - b. Ventilator (invasive or non-invasive) management, regardless of the number of times a Respiratory Therapist(s) reviews the equipment settings.
  - c. 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.

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.

2. 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.

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

**B. Documentation requirements:**

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

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

**C. Respiratory Care (Respiratory Therapy) Services**

Respiratory care (respiratory therapy) services may include, but are not limited to the following:

1. 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.)
2. Therapeutic use/monitoring of medicinal gases, pharmacologically active mists and aerosols, and equipment (e.g., resuscitators, ventilators)
3. 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)
4. Periodic assessment of the patient for the effectiveness of respiratory therapy services when not performed during a treatment session

**D. Ventilator Management Respiratory Services**

1. 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.
2. Ventilator management by a respiratory therapist includes, but is not limited to, the following:
  - a. 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.
  - b. Changes in ventilator setting because of change in patient condition.

#### **E. 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. These additional services may include, but are not limited to:

1. Ventilator adjustments if performed by RN
2. Ventilator System set up or checks by respiratory therapist
3. Equipment Change (All Non-Invasive and Invasive) from one type of respiratory assist device to another
4. 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.
5. Ventilator weaning and extubation
6. Spontaneous Breathing Screen/Trial
7. Setting or Device Adjustment of Non-emergent Non-Invasive
8. Setting or Device Adjustment of Emergent Non-Invasive
9. Setting Adjustment - Invasive Mechanical Ventilation
10. Transport/MRI Ventilator Use During Invasive Mechanical Ventilation
11. Transport on Vent by Respiratory during an inpatient/outpatient stay
12. Ventilator Circuit Change - Invasive Mechanical Ventilation
13. Therapeutic Ventilatory Maneuver (Recruitment Maneuver)
14. Oral Care (Vent Bundle, Vent-Acquired Pneumonia Prevention Activities)
15. Supplemental Oxygen System-Setup
16. Supplemental Oxygen Patient/System-Assessment
17. Supplemental Oxygen Equipment Change
18. Heated Humidified High-Flow Nasal Cannula System-Setup
19. Heliox by Ventilator - Initial Setup
20. Specialty Gas Cylinder Change
21. Static Pressure/Volume Loop
22. Diaphragmatic EMG Sensor Catheter Placement
23. Esophageal Pressure Monitoring via Esophageal Balloon Catheter
24. FRC (Functional Residual Capacity) Determination During Mechanical Ventilation
25. Esophageal Balloon Catheter Placement
26. Respiratory Assessment and/or Respiratory Protocol Assessment, whenever performed (with or without treatment)

27. 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.
28. Saline diluents used with/for inhalation treatment
29. Tracheostomy Tube Care
30. Assist with intubation charge in addition to intubation charge
31. External Chest Wall Oscillation (may or may not include manipulation of chest wall, substernal intrapulmonary percussion)
32. Placement or Change of In-line Suction Catheter
33. Oximetry Check and/or Trending when done by routine monitor
34. Charges for continuous inhalation treatments when the delivery of continuous aerosolized medications are not documented and/or administered.
35. End Tidal Carbon Dioxide System-Setup and/or monitoring (expired gas determination)
36. Transcutaneous Monitoring Initial System Setup and/or monitoring
37. Patient Monitoring During Percutaneous Tracheotomy
38. Monitoring During Laryngoscopy Assistance
39. Monitoring During Therapeutic Bronchoscopy
40. Monitoring Patient Airway for Conscious Sedation
41. Monitoring Patient During Cardioversion or Cath Lab Intervention
42. Monitoring During Early Mobilization of Ventilator Patient
43. Monitoring During Rapid Response Team Notification
44. Inpatient Sleep Apnea Monitoring System-Setup and monitoring
45. Bedside Pulmonary Mechanics
46. Patient Screening for Sleep Apnea
47. Endotracheal Suctioning when done with treatments or on ventilator
48. Incentive Spirometry set up and demonstration for patient at bedside
49. CPAP/BiPAP charges for patient-owned CPAP/BiPAP machine services.
50. Surfactant administration when done by the physician
51. Mini Bronchoalveolar Lavage Test
52. RSV (respiratory syncytial virus) Culture - Nasopharyngeal Lavage
53. RSV Culture - Swab
54. Arterial Blood Sampling via Indwelling Catheter
55. Capillary Blood Gas Testing (see venipuncture policy)
56. Ventilator maintenance and calibration
57. Cleaning of internal or external components of ventilator

## Codes, Terms, and Definitions

### Acronyms & Abbreviations Defined

Acronym or Abbreviation	Definition
AMA	American Medical Association
BiPAP	Bilevel Positive Airway Pressure
CCI	Correct Coding Initiative (see "NCCI")
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)
E/M E&M E & M	Evaluation and Management (services, visit) (Abbreviated as "E/M" in CPT book guidelines, sometimes also abbreviated as "E&M" or "E & M" in some CPT Assistant articles and by other sources.)
eMAR	Medication Administration Record, electronic version
EMG	Electromyography
FRC	Functional Residual Capacity
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HIPAA	Health Insurance Portability and Accountability Act
IPPB	Intermittent Positive Pressure Breathing
LCD	Local Coverage Determination
MAR	Medication Administration Record
MS DRG	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
NCCI	National Correct Coding Initiative (aka "CCI")
RC	Respiratory Care
RN	Registered Nurse
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)
RSV	Respiratory Syncytial Virus
RT	Respiratory Therapy
UB	Uniform Bill

### Definition of Terms

Term	Definition
Medication Administration Record (MAR or eMAR)	<p>The report or document that serves as a record of the drugs administered to a patient at a facility by a health care professional.</p> <p>This document must contain the following minimum information: Patient first &amp; last name, name of drug, dose of drug, route of administration, date of administration, time of administration, signature (name) and title of person administering.</p> <p>For single-use vials, if any drug wastage, note the amount wasted.</p>

Term	Definition
Respiratory Care (RC), Respiratory Therapy (RT)	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.

Procedure codes (CPT & HCPCS):

Code	Code Description
94002	Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; hospital inpatient/observation, initial day
94003	Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; hospital inpatient/observation, each subsequent day
94004	Ventilation assist and management, initiation of pressure or volume preset ventilators for assisted or controlled breathing; nursing facility, per day
94010	Spirometry, including graphic record, total and timed vital capacity, expiratory flow rate measurement(s), with or without maximal voluntary ventilation
94011	Measurement of spirometric forced expiratory flows in an infant or child through 2 years of age
94012	Measurement of spirometric forced expiratory flows, before and after bronchodilator, in an infant or child through 2 years of age
94013	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
94060	Bronchodilation responsiveness, spirometry as in 94010, pre- and post-bronchodilator administration
94070	Bronchospasm provocation evaluation, multiple spirometric determinations as in 94010, with administered agents (eg, antigen[s], cold air, methacholine)
94150	Vital capacity, total (separate procedure)
94200	Maximum breathing capacity, maximal voluntary ventilation
94250	Expired gas collection, quantitative, single procedure (separate procedure)
94375	Respiratory flow volume loop
94400	Breathing response to CO <sub>2</sub> (CO <sub>2</sub> response curve)
94450	Breathing response to hypoxia (hypoxia response curve)
94610	Intrapulmonary surfactant administration by a physician or other qualified health care professional through endotracheal tube
94620	Pulmonary stress testing; simple (eg, 6-minute walk test, prolonged exercise test for bronchospasm with pre- and post-spirometry and oximetry)
94621	Pulmonary stress testing; complex (including measurements of CO <sub>2</sub> production, O <sub>2</sub> uptake, and electrocardiographic recordings)
94640	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
94642	Aerosol inhalation of pentamidine for pneumocystis carinii pneumonia treatment or prophylaxis
94644	Continuous inhalation treatment with aerosol medication for acute airway obstruction; first hour

Code	Code Description
94645	Continuous inhalation treatment with aerosol medication for acute airway obstruction; each additional hour (List separately in addition to code for primary procedure)
94660	Continuous positive airway pressure ventilation (CPAP), initiation and management
94662	Continuous negative pressure ventilation (CNP), initiation and management
94664	Demonstration and/or evaluation of patient utilization of an aerosol generator, nebulizer, metered dose inhaler or IPPB device
94667	Manipulation chest wall, such as cupping, percussing, and vibration to facilitate lung function; initial demonstration and/or evaluation
94668	Manipulation chest wall, such as cupping, percussing, and vibration to facilitate lung function; subsequent
94669	Mechanical chest wall oscillation to facilitate lung function, per session
94680	Oxygen uptake, expired gas analysis; rest and exercise, direct, simple
94681	Oxygen uptake, expired gas analysis; including CO2 output, percentage oxygen extracted
94690	Oxygen uptake, expired gas analysis; rest, indirect (separate procedure)
94726	Plethysmography for determination of lung volumes and, when performed, airway resistance
94727	Gas dilution or washout for determination of lung volumes and, when performed, distribution of ventilation and closing volumes
94728	Airway resistance by impulse oscillometry
94750	Pulmonary compliance study (eg, plethysmography, volume and pressure measurements)
94760	Noninvasive ear or pulse oximetry for oxygen saturation; single determination
94761	Noninvasive ear or pulse oximetry for oxygen saturation; multiple determinations (eg, during exercise)
94762	Noninvasive ear or pulse oximetry for oxygen saturation; by continuous overnight monitoring (separate procedure)
94770	Carbon dioxide, expired gas determination by infrared analyzer
94799	Unlisted pulmonary service or procedure

**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.” (CMS<sup>5</sup>)

**“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.” (CMS<sup>6</sup>)

“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.” (Nave<sup>7</sup>)

“**Bedside nursing services** - Services included under the room and board services paid to the facility and provided by nursing service personnel. These services include, but are not limited to: Medication administration, IV hydration and IV medication administration, vaccine administration, dressing applications, therapies, glucometry testing and other point of care testing, catheterizations, tube feedings and irrigations, and equipment monitoring services.” (WAC<sup>8</sup>)

“**Room and board** - Routine supplies and services provided to a client during the client's hospital stay. This includes, but is not limited to, a regular or special care hospital room and related furnishings, room supplies, dietary and bedside nursing services, and the use of certain hospital equipment and facilities.” (WAC<sup>9</sup>)

## Cross References

- A. “[Routine Venipuncture and/or Collection of Specimens.](#)” Moda Health Reimbursement Policy Manual, RPM012.
- B. “[Drugs and Biologicals, Wastage and/or Discarded Amounts \(Modifier JW\).](#)” Moda Health Reimbursement Policy Manual, RPM015.
- C. “[Hospital Routine Supplies and Services.](#)” Moda Health Reimbursement Policy Manual, RPM043.

## References & Resources

1. Palmetto GBA. “Respiratory Therapy (Respiratory Care).” Local Coverage Determination (LCD) # L34430. Last updated 07/22/2021. Last accessed 6/28/2022. <https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?LCDId=34430&DocID=L34430> .
2. 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.
3. CMS. “RETIRED – Correct Coding and Coverage of Ventilators - Revised May 2016.” Joint DME MAC Publication. These articles are written collaboratively by all DME MAC Medical Directors and posted on all DME MAC websites. Last updated 7/16/2020. Last accessed 6/28/2022.

<https://med.noridianmedicare.com/web/jddme/policies/dmd-articles/ventilators-0516> . See item # 10 below.

4. American Association for Respiratory Care (AARC) Uniform Reporting Manual for Respiratory Care-5th edition <https://www.aarc.org/resources/tools-software/standards-development/> .
5. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 1 General Correct Coding Policies, §B, “Coding Based on Standards of Medical/Surgical Practice”, pages I-9. Revised 1/1/2017.
6. CMS. *National Correct Coding Initiative Policy Manual*. Chapter 11 – Medicine Evaluation And Management Services CPT Codes 90000 – 99999, §J.8-9, “Pulmonary Services”, page XI-25. Revised 1/1/2017.
7. Nave, Shelley, RHIA CPC-H. “Hospital Supplies—To Bill or Not To Bill?” Coding & Compliance Focus News, December 2011: pages 3 – 5.
8. WAC. “Bedside Nursing Services.” Washington State Legislature, WACs, Title 182, Chapter 182-550-1050 Hospital Services Definitions. Certified on August 11, 2021. Last accessed June 28, 2022. <http://apps.leg.wa.gov/WAC/default.aspx?cite=182-550-1050> .
9. WAC. “Room and Board.” Washington State Legislature, WACs, Title 182, Chapter 182-550-1050 Hospital Services Definitions. Certified on August 11, 2021. Last accessed June 28, 2022. <http://apps.leg.wa.gov/WAC/default.aspx?cite=182-550-1050> .
10. CMS. “Correct Coding and Coverage of Ventilators - Revised July 2020.” Joint DME MAC Publication. These articles are written collaboratively by all DME MAC Medical Directors and posted on all DME MAC websites. Last updated 7/16/2020. Last accessed 6/28/2022. <https://med.noridianmedicare.com/web/jddme/policies/dmd-articles/2020/correct-coding-and-coverage-of-ventilators-revised-july-2020> .
11. CMS. “Pulmonary Rehabilitation Services.” *Medicare Benefit Policy Manual* (Pub. 100-2). Chapter 1, Part 4, § 240.8.
12. NAS. “Respiratory Care (Respiratory Therapy).” Noridian Administrative Services (NAS). Local Coverage Determination (LCD) # L34149. Last updated October 1, 2019. Last accessed June 28, 2022. <https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?lcdid=34149&ver=43&keyword=Respiratory&keywordType=starts&areald=all&docType=NCA,CAL,NCD,MEDCAC,TA,MCD,6,3,5,1,F,P&contractOption=all&sortBy=relevance&bc=1> .
13. Novitas. “Pulmonary Function Testing.” Novitas Solutions, Inc. Local Coverage Determination (LCD) # L35360. Last updated July 1, 2020. Last accessed June 28, 2022. <https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?lcdid=35360&ver=57&keyword=&keywordType=starts&areald=s51&docType=F&contractOption=all&sortBy=relevance&bc=1> .

## Background Information

This policy was implemented in April 2017 because of then-recent CMS changes in their respiratory guidelines for reimbursement and our ongoing reviews of hospital claims billing for respiratory services. The policy was written to clarify what respiratory services are billable and separately reimbursed.

## IMPORTANT STATEMENT

The purpose of this Reimbursement Policy is to document our payment guidelines for those services covered by a member's medical benefit plan. Healthcare providers (facilities, physicians, and other professionals) are expected to exercise independent medical judgment in providing care to members. Our Reimbursement Policy is not intended to impact care decisions or medical practice.

Providers are responsible for submission of accurate claims using valid codes from HIPAA-approved code sets and for accurately, completely, and legibly documenting the services performed. Billed codes shall be fully supported in the medical record and/or office notes. Claims are to 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] Policy Manual, CCI table edits and other CMS guidelines).

Benefit determinations will be based on the member's medical benefit plan. Should there be any conflicts between our Reimbursement Policy and the member's medical benefit plan, the member's medical benefit plan will prevail. Fee determinations will be based on the applicable provider fee schedule, whether out of network or participating provider's agreement, and our Reimbursement Policy.

Policies may not be implemented identically on every claim due to variations in routing requirements, dates of processing, or other constraints; we strive to minimize these variations.

\*\*\*\*\* 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 information by going to [https://www.modahealth.com/medical/policies\\_reimburse.shtml](https://www.modahealth.com/medical/policies_reimburse.shtml) \*\*\*\*\*

## Policy History

Date	Summary of Update
7/10/2024	Formatting updates. No policy changes.
7/12/2023	Enhanced definition of term "Medication Administration Record" for clarification. Formatting updates. No policy changes.
8/10/2022	Updated Acronyms, Coding Guidelines & Sources, and References & Resources. Formatting updates. No policy changes.
6/14/2017	Policy initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
4/19/2017	Original Effective Date (with or without formal documentation). Policy based on CMS policy for pulmonary/respiratory services.