Reimbursement/Billing Policy

Facility Routine Services, Supplies and Medical Equipment
Policy Number: RM042
Last Review: 12/15/2025

GUIDELINES:

- Paramount Reimbursement Policies have been developed to assist in administering proper payment under benefit contracts.
- Reimbursement policies may be superseded by mandates in provider, state, federal, or CMS contracts and/or requirements.
- Paramount utilizes industry standard coding methodology and claims editing in the development of reimbursement policies. Industry standard resources include, but are not limited to, CMS National Correct Coding Initiative (NCCI), Medically Unlikely Edits (MUEs), Integrated Outpatient Code Editor (I/OCE) Clinical edits, Medical Policies, Reimbursement Policies, and Administrative/Provider Manuals. Paramount will not reimburse services determined to be Incidental, Mutually Exclusive, or Unbundled.
- All health care services, devices, and pharmaceuticals must be billed with Current Procedure Terminology (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes and/or revenue codes and modifiers, which most accurately represent the services rendered, unless otherwise directed by the Paramount. All billed codes must be fully supported in the member's legal medical record.
- Paramount utilizes CMS pricing algorithms where appropriate based on, National Physician Fee Schedule Relative Value File (NPFSRVF) pricing rules, Inpatient Prospective Payment Systems (MS-DRG, LTC, IPF, IRF & IPSNF) and Outpatient Prospective Payment Systems (OPPS, HHA, ASC, ESRD & OPSNF).
- Paramount liability will be determined after coordination of benefits (COB) and third-party liability (TPL) is applied to the claim. Member liability may include, but is not limited to, co-payments, deductibles, and coinsurance. Members' costs depend on member benefits.
- Paramount routinely reviews reimbursement policies. Updates are published on Paramount's website https://www.paramounthealthcare.com. The information presented in this reimbursement policy is accurate and current as of the date of publication. Paramount communicates policy updates to providers via Paramount's monthly bulletin.

SCOPE:

☐ Professional
☒ Facility

Applicability:

☒ Commercial and Marketplace (Fully Insured and Self-Funded)
☒ Medicare Advantage

Background:

This Reimbursement Policy provides clarification on routine services, supplies and medical equipment that are not eligible for separate reimbursement when included in payment for the room and board charge as defined by the Medicare Provider Reimbursement Manual – Part 1, Chapter 22, Section 2202.6:

> Inpatient routine services in a hospital or skilled nursing facility generally are those services included in by the provider in a daily service charge--sometimes referred to as the "room and board" charge. Routine services are composed of two board components: (1) general routine services, and (2) special care units (SCU's), including coronary care units (CCU's) and intensive care Units (ICU's). Included in routine services are the regular room,

dietary and nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, and the use of certain equipment and facilities for which a separate charge is not customarily made.

In addition, per the Medicare Provider Reimbursement Manual – Part 1, Chapter 22, Section 2202.7, a specialty unit "must be equipped with, or have available for immediate use, life-saving equipment necessary to treat the critically ill patients for which it is designed. This equipment may include, but is not limited to, respiratory and cardiac monitoring equipment, respirators, cardiac defibrillator, and wall or canister oxygen and compressed air".

Further, this Reimbursement Policy provides clarification on other routine services, supplies and medical equipment billed on an inpatient claim that are not eligible for separate reimbursement because they are included in other procedure/service charges billed on the inpatient claim.

Additionally, outpatient hospital facility routine services, supplies and medical equipment includes, but is not limited to, items related to services reported elsewhere on the claim per the Medicare National Correct Coding Initiative Policy Manual, Chapter III, Section L, Paragraph 5: "With few exceptions, the payment for a surgical procedure includes payment for dressings, supplies, and local anesthesia. These items are not separately reportable under their own HCPCS/CPT codes." Correct coding guidelines require that the most specific, comprehensive code be reported. Whenever a code is billed that includes another supply or service per coding guidelines or definition, the included supply or service is not eligible for reimbursement.

Reimbursement Policy:

For inpatient claims, Paramount considers routine services, supplies and medical equipment not separately billable or eligible for reimbursement when included in the daily room and board charge for the level of care provided. For both inpatient and outpatient claims, routine services, supplies and medical equipment includes, but is not limited to, items related to services reported elsewhere on the claim or considered to be inappropriate or excessive, and such routine services, supplies and medical equipment are not separately billable or eligible for reimbursement.

Categories of routine services, supplies and medical equipment relevant to inpatient or outpatient claims include, but are not limited to, the following:

- **Ventilator Management** includes the charge for the use of the ventilator machine and all equipment and supplies required to operate the ventilator. The respiratory therapy staff services for monitoring the ventilator, adjusting the ventilator settings, and related monitoring equipment are included in the daily ventilator charge.

- **Incremental nursing/ancillary department services** are routine nursing and therapeutic services, screening, education, and training provided by nursing staff or ancillary departments as part of standard of care and may be included in room and board or the primary procedure/service charge.

The following are examples of incremental nursing/ancillary department services which are included in the reimbursement to the facility. This list is not all inclusive and does not account for variable terminology of listed items that may differ among facilities.

Incremental Nursing / Ancillary Department Services		
Injections and Infusions	Monitoring and maintenance of peripheral or central IV lines and sites	Access to implanted ports/devices
Declotting implanted vascular access device/catheter	Urinary catheter insertion	Bladder scan

Nasogastric tube insertion	Nasotracheal suction	Medication administration
Clinical evaluation by a nurse	Blood draws from midline, central line, arterial line, implanted port	
Chemotherapy administration	Peripheral IV insertion	

- **Capital equipment expense** is considered a fixed asset of the facility, used in the provision of services to multiple patients and has an extended life.

- **Operating room supplies/ anesthesia supplies/equipment/ services** are associated with procedures and necessary or integral to perform service.

- **Routine equipment and supplies** are items used routinely by patients and generally in the central supply or patient care location and are included in the general cost of the room where the service is being delivered, such as the patient, operating, or treatment/cast room.

The following are examples of routine supplies and equipment which are not separately reimbursable because they are included under the daily room and board charge or another service for which the facility is reimbursed. This list is not all-inclusive and does not account for variable terminology of listed items that may differ among facilities.

Routine Supplies and Equipment		
Adhesives and closure devices	Staplers	Stock items
Personal, convenience, or comfort items	Blood administration tubing and supplies	Irrigation solutions and supplies
Wound VAC pumps and units	Cables/cords	Needles
Isolation care/supplies and/or Universal Precautions	Mattresses, beds, tables, stands, pillows, and linens	Tube feed/TPN supplies and equipment
Pumps	Sensors	Units and modules
Nutritional supplements	Perfusion equipment, supplies, and solutions	Robotic supplies
Guidewires	Hemostatic agents	Operating Room Set up, monitoring, and transport
Cleansers and antiseptics	Anesthesia supplies, circuit, and monitoring	Cannulas
Surgical trays, surgical supplies, and surgical instruments	Supplies necessary for monitoring based on level of care	Any medication that is floor stock or given per protocol without a specific order for the administration is not separately billable and is considered routine.
EKG/ECG Equipment	Supplies for IV administration, insertion, maintenance, and dressing changes	Heparin flushes, saline flushes, IV flushes of any type, and solutions used to dilute or administer substances, drugs, or medications are part of administration service or IV maintenance.

Sources of Information:

Centers for Medicare & Medicaid Services (CMS), Medicare Claims Processing Manual

Centers for Medicare & Medicaid Services (CMS), Medicare National Correct Coding Initiative Policy Manual

Centers for Medicare & Medicaid Services (CMS), Medicare Provider Reimbursement Manual

Additional Publications by the Centers for Medicare & Medicaid Services (CMS)

American Medical Association, CPT code book ® 2025 Professional Edition, Chicago: AMA Press

OptumInsight, Inc., Uniform Billing Editor, 2025.

REVISION HISTORY EXPLANATION: ORIGINAL EFFECTIVE DATE:

Date	Explanation & Changes
12/15/2025	• Policy Created
	•