



**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN SERVICES**  
Med-QUEST Division  
Medical Standards Branch  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

MEMORANDUM

TO: Acute Care Hospitals, Home Health Agencies, Long Term Care (LTC) Facilities and Other UB92 Users

FROM: Dr. Lynette Honbo, Administrator

SUBJECT: OUTPATIENT SUPPLIES BILLED UNDER REVENUE CODE 27X AND CODE 29X

Medicaid Newsletter 92-04 (dated November 3, 1992) informed providers that effective December 1, 1992, revenue codes 27X and 29X should be itemized using applicable Health Care Financing Administration (HCFA) codes. The Medicaid Program appreciates the efforts of hospitals and other UB-92 users in complying with this requirement.

In November and December, 1993, the Med-QUEST Division's (formerly HCAD) medical consultants met with representatives of various hospitals to address their concerns. The following is a summary of the issues discussed and Medicaid clarification.

1. Providers generally agreed that although coding of medical supplies and equipment required much time and effort, this requirement could be met for outpatient claims submitted on hard copy.
2. The medical consultants suggested the following guidelines to decrease the number of supplies which require coding:
  - a. All out patient surgery and ambulatory surgical center (ASC) claims are reimbursed at ASC group rates which include routine supplies. Therefore, separate reimbursement for revenue codes 27X and 29X is not made unless they are for items not part of the ASC rate. If so, they must be itemized, HCPCS coded, and described.

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- b. Supplies used in radiology procedures are usually part of the reimbursement for the technical component of the radiology service and not separately reimbursed. Examples are items such as IV start sets, extension tubing, ionic contrast material, needles, syringes, and wipes.
  - c. Standard emergency room supplies and equipment are considered an integral part of the emergency room service and are not separately reimbursed. Examples of these are blood pressure monitoring devices, sheets, underpads, gomco machines, sutures, scissors, oximeters, bed pans, and thermometers.
    - 1) Certain non-standard supplies, supplies that are disposable or require autoclaving, and those unique to the individual patient are reimbursable and must be itemized with the appropriate HCFA and revenue codes. Examples are IV tubing, intracatheters, gastric tubes, and blood administration sets.
    - 2) Reimbursement for supplies associated with procedures are generally included in the payment of the procedure; therefore, they should not be billed. Examples are clean catch kits when urinalyses and/or cultures are done, electrodes when ECG's are done, blood specimen containers when blood gases or blood tests are ordered. Usage of updraft, nebulizer, and oxygen are not supplies but respiratory services and should be billed under revenue code 41X.
  - d. If no HCFA code adequately describes the supply, you may use a miscellaneous code 99070 or A4649. However, a description which identifies the supply must be provided or a turnaround document (TAD) requesting a description will be sent to providers.
  - e. Attached is an alphabetical list of supplies and their coverage status in different settings. Claims should be submitted only for items payable by Medicaid.
3. The following were also discussed with regard to expediting the handling of supplies on outpatient claims.
- a. Providers should review the list of supplies. A provider's list of frequently used supplies not included in the Medicaid list can be submitted to the Med-QUEST (MQD) for review and possible inclusion into an updated list which will be circulated to providers. The provider's list should include the name of the item and a brief description including usage.
  - b. Electric Media Claims (EMC) providers should make efforts to identify itemized supplies with valid HCFA codes instead of miscellaneous codes so that they may be billed electronically and thus prevent generation of turnaround documents for description.

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We wish to thank the hospital staffs who met with MQD's medical consultants for their suggestions and cooperation. We will address the concerns raised and we welcome comments and suggestions from other UB92 users. Please contact Mr. Eric Rolseth at 586-5386, Dr. John Sheedy at 692-8066 or Dr. Lynette Honbo at 692-8106 for clarification, questions or comments.

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Administrator

Attachment