

## SUPPLIES, MATERIALS AND BUNDLED SERVICES

Services and supplies must be medically necessary and must be prescribed by an approved provider for the direct treatment of a **covered** condition.

Providers must bill specific HCPCS or local codes for supplies and materials provided during an office visit or with other office services. CPT® code 99070, which represents miscellaneous supplies and materials provided by the physician, will not be paid.

Under the fee schedules, some services and supply items are considered bundled into the cost of other services (associated office visits or procedures) and will not be paid separately. See WAC 296-20-01002 for the definition of bundled codes.

**NOTE:** Bundled codes contain the word bundled in the dollar value column in the Professional Services Fee schedule. Refer to **Appendices B and C** for lists of bundled services and supplies.

### ACQUISITION COST POLICY

**NOTE:** This policy does not apply to hospital bills. Refer to the Facilities Section for the [hospital acquisition](#) cost policy, page **168**.

Supply codes without a fee listed **will be paid** at their acquisition cost.

The total acquisition cost should be billed as 1 charge. The acquisition cost equals:

- The wholesale cost plus
- Shipping and handling plus
- Sales tax.

For taxable items, an itemized listing of the cost plus sales tax may be attached to the bill but is not required.

Wholesale invoices for all supplies and materials must be kept in the provider's office files for a minimum of 5 years.

A provider must submit a hard copy of the wholesale invoice to the insurer when an individual supply item costs \$150.00 or more, or upon request. The insurer may delay payment of the provider's bill if the insurer has not received this information.

Supplies used in the course of an office visit are considered bundled and are not payable separately.

Fitting fees are bundled into the office visit or into the cost of any DME and are not payable separately.

#### **Billing Tip**

Sales tax and shipping and handling charges are not paid separately, and must be included in the total charge for the supply. An itemized statement showing net price plus tax may be attached to bills but is not required.

### CASTING MATERIALS

Bill for casting materials with HCPCS codes Q4001-Q4051. No payment will be made for the use of a cast room. Use of a cast room is considered part of a provider's practice expense.

### MISCELLANEOUS SUPPLIES

The following supplies must be billed with HCPCS Code E1399:

- Therapeutic exercise putty
- Rubber exercise tubing
- Anti-vibration gloves

Bills coded with E1399 will be reviewed for payment and must meet the following criteria:

- Description of supply on the paper bill or in electronic remarks
- No other valid HCPCS code is available for the supply
- The supply is appropriate for treatment of the injury and/or authorized by the claim manager

## **CATHETERIZATION**

Separate payment is allowed for placement of a temporary indwelling catheter when performed in a provider's office and used to treat a temporary obstruction. Payment for the service is not allowed when the procedure is performed on the same day or during the postoperative period of a major surgical procedure that has a follow up period.

For catheterization to obtain specimen(s) for lab tests, see the [Pathology and Laboratory Services](#) section, page [98](#).

## **SURGICAL TRAYS AND SUPPLIES USED IN THE PHYSICIAN'S OFFICE**

L&I follows CMS's policy of bundling HCPCS codes A4263, A4300 and A4550 for surgical trays and supplies used in a physician's office.

## **SURGICAL DRESSINGS DISPENSED FOR HOME USE**

The cost for surgical dressings applied during a procedure, office visit or clinic visit is included in the practice expense component of the RVU (overhead) for that provider. No separate payment is allowed. Primary and secondary surgical dressings dispensed for home use are payable at acquisition cost when **all** of the following conditions are met:

- They are dispensed to a patient for home care of a wound and
- They are medically necessary and
- The wound is due to an accepted work related condition.

### **Primary Surgical Dressings**

Primary surgical dressings are therapeutic or protective coverings applied directly to wounds or lesions either on the skin or caused by an opening to the skin. Examples of primary surgical dressings include items such as:

- Telfa
- Adhesive strips for wound closure
- Petroleum gauze

### **Secondary Surgical Dressings**

Secondary surgical dressings serve a therapeutic or protective function and secure primary dressings. Examples include items such as adhesive tape, roll gauze, binders and disposable compression material. They do not include items such as elastic stockings, support hose and pressure garments. These items must be billed with the appropriate HCPCS.

Providers must bill the appropriate HCPCS code for each dressing item, along with the local modifier –1S for each item. Surgical dressing supplies and codes billed without the local modifier –1S are considered bundled and will not be paid.

## **HOT AND COLD PACKS OR DEVICES**

Application of hot or cold packs is bundled for all providers.

WAC 296-20-1102 prohibits payment for heat devices for home use including heating pads. These devices are either bundled or **not covered** (see **Appendices B, C and D and the Durable Medical Equipment section**).