

ORGANIZATION POLICY

POLICY TITLE: Proper Charging for Bundled Services – Avoiding Unbundling of Services

POLICY NUMBER: 1215

PURPOSE:

To avoid submitting charges for services that are fragmented or unbundled that are required by Medicare to be billed together.

POLICY:

This policy is intended to establish standards for the charging of services that are considered to be bundled services as established by CMS coding policies based on coding conventions defined in the American Medical Association's CPT Manual, national and local policies and edits, coding guidelines developed by national societies, analysis of standard medical and surgical practices, and a review of current coding practices.

PROCEDURE:

The Centers for Medicare and Medicaid Services (CMS) developed the National Correct Coding Initiative (NCCI) to promote national correct coding methodologies and to control improper coding leading to inappropriate payment in Part B claims. Unbundling occurs when multiple procedure codes are billed for a group of procedures that are covered by a single comprehensive code.

When coding individual clinical laboratory services, the following coding rules apply:

- Select the name of the procedure that most accurately identifies the service being performed. The listing of a procedure under a particular specialty in the CPT does not restrict its use to that specific specialty.
- Procedures that include multiple tests may not be “unbundled” into component procedures.
- Multiple codes may be used to describe a single panel or profile so long as the unbundling rule is not violated.
- When test panels and profiles are performed, if a specific code exists for a given combination of tests, that code must be used. Test panels should never be unbundled to obtain higher reimbursement if a single code exists that more accurately describes the test panel.

When coding surgical services, the following coding rules apply:

- Report procedures with the HCPCS/CPT codes that most comprehensively describe services performed.
- A group of procedures should be reported with the appropriate comprehensive code.
- Services should never be fragmented (i.e., reporting one service by its component parts as if each were a separate service).
- Related services should be reported under one combined code that includes all related services; rather than reported as separate codes.
- Bilateral procedures should not be broken out when one code is appropriate.

EFFECTIVE DATE: June 2003

REVIEW DATE: October 2008, January 2012, January 2018

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