# Nebulization

## Adjudication Rule

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## Abstract

### For Members

Billing Rules are the adjudication rules, which are in compliance with official CPT, ICD-CM and HAAD/CCSC coding guidelines. A billing rule defines the minimum requirements to be met when a service is claimed for a Daman beneficiary in terms of frequency, duration etc. It explains the minimum required documentation to claim a service. It also defines the coverage of a service under a particular insurance plan administered by Daman.

### For Medical Professionals

This adjudication rules defines billing rules and documentation requirements for reporting nebulizer treatment. CPT code 94640 (Pressurized or non-pressurized inhalation treatment for acute airway obstruction or for sputum induction for diagnostic purposes [e.g., with an aerosol generator, nebulizer, metered dose inhaler, or intermittent positive pressure breathing (IPPB) device]) for the first treatment. For continuous aerosol inhalation treatment applied for an acute obstruction of the airway report 94644 for the first hour of treatment and 94645 for each additional hour.

CPT code 94664, Demonstration and/or evaluation of patient utilization of an aerosol generator, nebulizer, metered dose inhaler or IPPB device does not include the services described by code 94640. If the services described in 94664 performed in addition to the nebulizer administration, code it if medically necessary and is not overlapping with nebulizer administration.

Evaluation and management code can be reported if significant, separately identifiable evaluation and management service provided by the same physician.
Nebulization

Scope
This adjudication rules defines billing rules and documentation requirements for reporting nebulizer treatment.

Adjudication Policy

Eligibility / Coverage Criteria
Nebulizer treatments are covered for all health insurance plans of Daman provided it is reasonable and necessary for the treatment of an acute respiratory illness or injury or to improve the functioning of a malformed body member.

Always report medication with green rain codes nebulized in addition to the administration CPT codes.

Requirements for Coverage
Nebulizer administered should be medically necessary in terms of acute diagnosis, duration and frequency.

Nebulizer used to deliver humidification and or oxygen is not covered by the CPT codes 94640, 94464 and 94465 and are not be coded by these CPT codes.

Requirements for Coverage
ICD and CPT codes must be coded to the highest level of specificity.

Non-Coverage
Nebulizer treatments are not covered if not medically necessary or noncompliant with coding and billing rule.

Payment and Coding Rules
1. Code all diagnosis with highest level specificity.
2. CPT code 94640 (Pressurized or non-pressurized inhalation treatment for acute airway obstruction or for sputum induction for diagnostic purposes [e.g., with an aerosol generator, nebulizer, metered dose inhaler, or intermittent positive pressure breathing (IPPB) device]) for the first treatment.
3. For continuous aerosol inhalation treatment applied for an acute obstruction of the airway report 94644 for the first hour of treatment and 94645 for each additional hour.
4. CPT code 94664, Demonstration and/or evaluation of patient utilization of an aerosol generator, nebulizer, metered dose inhaler or IPPB device does not include the services described by code 94640. If the services described in 94664 performed in addition to the nebulizer administration, code it if medically necessary and is not overlapping with nebulizer administration.
5. Evaluation and management code can be reported if significant, separately identifiable evaluation and management service provided by the same physician.
6. Always code green rain code for the unit of drug administered in addition to the nebulizer treatment CPT code.

Adjudication Examples

Example 1
Question: A 4 year old asthmatic girl holding a Thiqa card presents to family physician with cough, shortness of breath and wheeze. Physician diagnosed it as asthma exacerbation and two nebulizer treatments with ATROVENT 0.025% is given. She clears up and breathing is easier, and evidently better.
Answer:
Nebulizer administration - 94640 X 2 times
Nebulizer Medication - 1317-1289-001

Example 2
Question: A 50 year old Asian male holding a basic card presents to physician office with chest pain, shortness of breath, running nose and wheeze. Physician diagnosed it as acute bronchitis and allergic rhinitis. Physician administered 1 hr of continuous nebulizer treatment with ALBUTEROL.
Answer:
Nebulizer administration - 94644
Nebulizer Medication - 2078-5925-001

Denial codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Code description</th>
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<tbody>
<tr>
<td>MNEC-004</td>
<td>Service is not clinically indicated based on good clinical practice, without additional supporting diagnoses/activities</td>
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<tr>
<td>PRCE-010</td>
<td>Use bundled code</td>
</tr>
<tr>
<td>MNEC-005</td>
<td>Service/supply may be appropriate, but too frequent</td>
</tr>
<tr>
<td>CLAI-012</td>
<td>Service/supply may be appropriate, but too frequent</td>
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Appendices

A. References
1. AMA CPT assistant
2. CPT coding book 2011
3. CCSC coding manual 2011
4. HAAD claims and adjudication rules V2012

B. Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Change(s)</th>
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<tbody>
<tr>
<td>01-07-13</td>
<td>V 2.0: New template</td>
</tr>
<tr>
<td>15-07-14</td>
<td>1. V 3.0</td>
</tr>
<tr>
<td></td>
<td>2. Disclaimer updated as per system requirements</td>
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<tr>
<td></td>
<td>3. Restored original effective date</td>
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