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Billing

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Nebulization

Adjudication Guideline

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Abstract

For Members

A nebulizer is a portable medical device used to deliver medication to the respiratory tract and lungs. It does so in the form of mist. Often this involves wearing a mask. Both children and adults can use nebulizers, and are prescribed in many sizes. Nebulized therapy can also be known as "breathing treatment."

Nebulizers are ordinarily used for the treatment of a range of respiratory disorders such as asthma and COPD. Medications are inhaled straight into the lungs for effective treatment. The reason they are inhaled rather than ingested is so that the medication can target the respiratory tract directly. This speeds up treatment and has fewer side effects in comparison to other alternative intake routes. The medication depends on the illness it is treating although commonly it reduces inflammation, swelling, and mucus within the airways.

For Medical Professionals

Billing Rules are the adjudication rules, which are in compliance with official CPT, ICD-CM and DOH coding guidelines.

A Billing rule defines the minimum requirement to be met when a service is claimed for a Daman beneficiary in terms of frequency, duration etc.

Approved by:

Daman

Responsible:

Medical Standards & Research

Related Adjudication

Guidelines:

None

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Scope

The adjudication rules defines billing rules and documentation requirements for reporting nebulizer treatment in outpatient setting.

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.

Daman consider the use of small volume nebulizer and related compressor medically necessary Durable medical equipment (DME) for those members with DME benefits.

Requirements for Coverage

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

Non-Coverage

Nebulizer treatments are not covered of not medically necessary or noncompliant with coding and billing rule.

Nebulizer devices are not covered for plans that do not have medical appliances benefit.

For plans with **medical appliances benefits** nebulizer is **not covered** if not medically necessary or non-compliant with coding and billing rule.

Nebulizers used to deliver humidification and/or oxygen are not covered by the below CPT codes and are not be coded by these CPT codes:

- Pressurized or non-pressurized inhalation treatment for acute airway obstruction for therapeutic purposes and/or for diagnostic purposes such as sputum induction with an aerosol generator, nebulizer, metered dose inhaler or intermittent positive pressure breathing (IPPB) device.
- Continuous inhalation treatment with aerosol medication for acute airway obstruction; first hour.
- Continuous inhalation treatment with aerosol medication for acute airway obstruction; each additional hour (List separately in addition to code for primary procedure).

Payment and Coding Rules

- ❖ Code all diagnosis with the highest level of specificity.
- ❖ CPT Code "A Pressurized or Non-pressurized Inhalation Treatment" is administered for therapeutic treatment of an acute obstruction of the airway, preventing the patient from taking in sufficient air on his or her own, or for sputum induction for diagnostic purposes. This is done with an aerosol generator, nebulizer, metered dose inhaler, or intermittent positive pressure breathing (IPPB) device) for inhalation service less **than one hour**".
- ❖ For Continuous inhalation treatment of 1 hour or more use CPT "Continuous inhalation treatment with aerosol medication for acute airway obstruction; first hour" and **CPT ADD on** "Continuous inhalation treatment with aerosol medication for acute airway obstruction; each additional hour".
- ❖ In outpatient setting, the maximum billable quantity justified per day for CPT "Pressurized or non-pressurized inhalation treatment for acute airway obstruction for therapeutic purposes and/or for diagnostic purposes such as sputum induction with an aerosol generator, nebulizer, metered dose inhaler or intermittent positive pressure breathing (IPPB) device" MUE is 2.
- ❖ CPT "Continuous inhalation treatment with aerosol medication for acute airway obstruction; first hour"

(A demonstration is done for the patient on how to use an aerosol generator, nebulizer, metered dose inhaler, or intermittent positive pressure breathing device (IPPB) and/or the patient's utilization is evaluated) can be reported **1 time only per day** of service.

- ❖ **HCPCS** for nebulization supplies are part of DMEs and will be covered for plans with DME benefits.

Denial codes

Code description
Service is not clinically indicated based on good clinical practice.
Service is not clinically indicated based on good clinical practice, without additional supporting diagnosis/activities.
Service/ supply may be appropriate, but too frequent.
Payment is included in the allowance for another service.
Use bundled code
Service(s) is (are) not covered.
Services not available on direct billing.

Appendices

A. References

1. AAPC coder assistant
2. CPT coding book 2011
3. HAAD claims and adjudication rules

B. Revision History

Date	Change(s)
01-07-2012	Release of V1.0
01-07-13	Release of V 2.0 - New template
15-07-14	Release of V3.0 - Disclaimer updated as per system requirements - Restored original effective date
09-01-2019	Release of V4.0 - Content update