

Nebulization

Adjudication Guideline

Rule Category:
Billing

Ref: No:
2012-MN-0006

Version Control:
Version No.5.0

Effective Date:
08/02/2019

Revision Date:
28/02/2025

Approved by:
Daman

Responsible:
Medical Standards
& Research

**Related Adjudication
Guidelines:**
N/A

Table of Contents

1.	Abstract.....	3
1.1	For Members	3
1.2	For Medical Professionals	3
2.	Scope.....	3
3.	Adjudication Policy	3
3.1	Eligibility / Coverage Criteria	3
3.2	Requirements for Coverage.....	3
3.3	Non-Coverage.....	4
3.4	Payment and Coding Rules.....	4
4.	Denial codes	5
5.	Appendices	6
5.1	References	6
5.2	Revision History	6

1. Abstract

1.1 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 Chronic Obstructive Pulmonary Disease (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.

1.2 For Medical Professionals

Billing Rules are the adjudication rules, which are following official CPT, ICD-CM and Regulator 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.

2. Scope

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

3. Adjudication Policy

3.1 Eligibility / Coverage Criteria

Nebulizer treatments are covered for all health insurance plans of Daman provided it is reasonable and medically necessary; for the treatment of an acute respiratory illness, injury or to improve the functioning of a malformed body member. Daman considers the device, small volume nebulizer and related compressor, Durable medical equipment (DME) therefore coverage depends on the DME benefits of the member.

3.2 Requirements for Coverage

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

3.3 Non-Coverage

Nebulizer treatments are not covered if 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 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)

3.4 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.

4. 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.

5. Appendices

5.1 References

- <https://www.doh.gov.ae/-/media/DoH-Guidelines-for-the-Initial-Diagnosis-and-Management-of-Paediatric-Asthma017yrs-by-Primary-Health.ashx>
- <https://www.doh.gov.ae/-/media/2E4599F84F384BCB82F72FF397B69307.ashx>
- <https://www.doh.gov.ae/-/media/Feature/shafifya/Prices/Adjudication-Rules/DOH-Claims-and-Adjudication-Rules-V2025.ashx>
- <https://publications.ersnet.org/content/erj/18/1/228>

5.2 Revision History

Date	Change(s)
01/07/2012	Release of V1.0
01/07/2013	Release of V2.0 New Template
15/07/2014	Release of V3.0 Restored original effective date
09/01/2019	Release of 4.0 Content update
28/02/2025	Release of V5.0 New template Updated references

Disclaimer

By accessing these Daman Adjudication Guidelines, you acknowledge that you have read and understood the terms of use set out in the disclaimer below:

The information contained in this Adjudication Guideline is intended to outline the procedures of adjudication of medical claims as applied by the National Health Insurance Company – Daman PJSC (hereinafter "Daman"). The Adjudication Guideline is not intended to be comprehensive, should not be used as treatment guidelines and should only be used for the purpose of reference or guidance for adjudication procedures and shall not be construed as conclusive. Daman in no way interferes with the treatment of patient and will not bear any responsibility for treatment decisions interpreted through Daman Adjudication Guideline. Treatment of patient is and remains at all times the sole responsibility of the treating Healthcare Provider. This Adjudication Guideline does not grant any rights or impose obligations on Daman. The Adjudication Guideline and all of the information it contains are provided "as is" without warranties of any kind, whether express or implied which are hereby expressly disclaimed.

Under no circumstances will Daman be liable to any person or business entity for any direct, indirect, special, incidental, consequential, or other damages arising out of any use of, access to, or inability to use or access to, or reliance on this Adjudication Guideline including but without limitation to, any loss of profits, business interruption, or loss of programs or information, even if Daman has been specifically advised of the possibility of such damages. Daman also disclaims all liability for any material contained in other websites linked to Daman website.

This Adjudication Guideline is subject to the laws, decrees, circulars and regulations of Abu Dhabi and UAE. Any information provided herein is general and is not intended to replace or supersede any laws or regulations related to the Adjudication Guideline as enforced in the UAE issued by any governmental entity or regulatory authority, or any other written document governing the relationship between Daman and its contracting parties.

This Adjudication Guideline is developed by Daman and is the property of Daman and may not be copied, reproduced, distributed or displayed by any third party without Daman's express written consent. This Adjudication Guideline incorporates the Current Procedural Terminology (CPT®), which is a registered trademark of the American Medical Association ("AMA") and the CPT codes and descriptions belong to the AMA. Daman reserves the right to modify, alter, amend or obsolete the Adjudication Guideline at any time by providing one month prior notice.