



BlueCross BlueShield
of New Mexico

If a conflict arises between a Clinical Payment and Coding Policy and any plan document under which a member is entitled to Covered Services, the plan document will govern. If a conflict arises between a CPCP and any provider contract pursuant to which a provider participates in and/or provides Covered Services to eligible member(s) and/or plans, the provider contract will govern. "Plan documents" include, but are not limited to, Certificates of Health Care Benefits, benefit booklets, Summary Plan Descriptions, and other coverage documents. Blue Cross and Blue Shield of New Mexico may use reasonable discretion interpreting and applying this policy to services being delivered in a particular case. BCBSNM has full and final discretionary authority for their interpretation and application to the extent provided under any applicable plan documents.

Providers are responsible for submission of accurate documentation of services performed. Providers are expected to submit claims for services rendered using valid code combinations from Health Insurance Portability and Accountability Act approved code sets. Claims should be coded appropriately according to industry standard coding guidelines including, but not limited to: Uniform Billing Editor, American Medical Association, Current Procedural Terminology, CPT® Assistant, Healthcare Common Procedure Coding System, ICD-10 CM and PCS, National Drug Codes, Diagnosis Related Group guidelines, Centers for Medicare and Medicaid Services National Correct Coding Initiative Policy Manual, CCI table edits and other CMS guidelines.

Claims are subject to the code edit protocols for services/procedures billed. Claim submissions are subject to claim review including but not limited to, any terms of benefit coverage, provider contract language, medical policies, clinical payment and coding policies as well as coding software logic. Upon request, the provider is urged to submit any additional documentation.

Inpatient/Outpatient Unbundling Policy- Facility

Policy Number: CPCP002

Version: 1.0

Enterprise Clinical Payment and Coding Policy Committee Approval

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Plan Effective Date: March 13, 2026

Description

This policy provides information on CPT and/or HCPCS codes reported together for equipment, services, and supplies that may not be eligible for separate reimbursement. For example, when services are unbundled. Unbundling occurs when charges are billed that may be represented by or are included in the description of another billed service. This policy is not intended to be all inclusive. Nor is this policy intended to impact care decisions or medical practice.

Reimbursement Information

A claim review that is conducted on an itemized statement involves a thorough review of the statement which may include the associated medical records. The review checks for unbundling of charges and/or inappropriate charges whether the member's status is outpatient or inpatient. An invoice may be requested to support eligible reimbursement.

Terms and Applicable Information

1. **Contaminated, Not Utilized or Waste**

Items such as supplies and equipment that are contaminated, wasted and/or were not utilized during the provisioned services on the member are not eligible for reimbursement.

Examples include, but are not limited to:

- Any items or supplies that were prepared or opened during a procedure or service but were **not** used or implanted into the member
- Items or supplies that were opened by mistake
- Changes-of-mind by the surgeon to use an item or supply for the member
- Equipment failure and/or technical difficulties
- Surgery case cancellation
- Large packages of items, supplies and/or implants when more appropriate packaging can be purchased

2. **Disposable and/or Reusable Supplies and Items**

Furnished to members in both inpatient and outpatient settings and are ineligible for separate reimbursement. Disposable and/or reusable supplies and items include, but are not limited to, blood pressure cuffs, thermometers, syringes, needles, blood or urine testing supplies, sheaths, bags, elastic garments, stockings, bandages, garter belts, gauze and replacement batteries.

3. **Equipment**

Commonly available to members in a particular setting or during the course of treatment, even if the equipment is rented by the hospital, is considered routine and ineligible for separate reimbursement.

4. **Incidental Services**

The Plan excludes the cost of incidental services when performed with the primary service as it is integral to the successful outcome of the primary service, including technical charges for equipment and its purchase, rental, and maintenance. Charges for such incidental services are not eligible for separate reimbursement.

5. **Mutually Exclusive**

Mutually exclusive procedures are those procedures that cannot reasonably be performed together or on the same member on the same day based on the code definitions or anatomic considerations.

6. **Oxygen**

Oxygen charges are not eligible for separate reimbursement. Oxygen charges include, but are not limited to, the following components: oxygen, water, respiratory therapy technician time, oxygen distribution or delivery of supplies or equipment (e.g., flow meter, humidifier, a croupette), all disposable supplies, nasal cannula, nasal catheter, associated masks, tent or hood, T-piece, and isolette(s).

7. **Point-of-Care Testing (POC/POCT)**

Testing that is performed near or at the members site of care.

8. **Routine Services**

Are those services included by the provider in a daily service charge, often referred to as the “room and board” charge. Routine services are composed of two broad components: **(1) general routine service**, and **(2) special care units (SCU)**, which includes **coronary care units (CCU)** and **intensive care units (ICU)**.

Included in routine services are the regular room, dietary services, nursing services, minor medical and surgical supplies, medical social services, psychiatric social services, the use of certain equipment and facilities for which a separate charge is not applicable.

SCU charge(s) include, but is not limited to, the routine services, supplies, and equipment described above which are included within the overall specialty unit, or room charge and are not eligible for reimbursement if unbundled. These SCUs must be equipped, or have available for immediate use, life-saving equipment and supplies necessary to treat critically ill members. **Examples** include, respiratory and cardiac monitoring equipment, respirators, cardiac defibrillators, wall canister oxygen and compressed air.

9. Routine Supplies

Routine supplies are included by the provider in the general charge of the location where services are being rendered or in the charge for the associated surgery or other procedures or services. A separate payment is not made for routine supplies. These are considered floor stock and are generally available to all members receiving services. **Examples** include, drapes, saline (e.g., solutions (supply) for flush or irrigation (administrative service) and disposable/reusable items.

The following is not an all-inclusive list but may assist providers in identifying items, supplies, and services that are ineligible for separate reimbursement.

- Supplies, items, and services that are necessary or otherwise integral to the provision of a specific service and/or the delivery of services in a specific location are considered routine in the inpatient and outpatient environments (excluding drugs, some diagnostic procedures, and radiopharmaceuticals).
- All reusable items, supplies, and equipment that are provided to all members during an inpatient or outpatient encounter are ineligible for separate reimbursement.
- All reusable items, supplies, and equipment, such as, pulse oximeters, blood pressure cuffs, bedside tables, etc., that are provided to all members are ineligible for separate reimbursement.
- All reusable items, supplies, and equipment that are provided to all members receiving the same service are ineligible for separate reimbursement.

Routine Supplies, Medical Equipment, and Facility Basic Charges

The hospital basic room and critical care area room (i.e., emergency department, observation, treatment room, cardiac, medical, surgical, pediatric, burn, neonate (level III and IV), neurological, rehabilitative, post-anesthesia or recovery, and trauma) daily charges shall include all of the following services, personal care and supplies, items, ancillary personnel providing nursing services, equipment and supplies.

The tables below include examples of items, equipment, and services that are not eligible for separate reimbursement. These lists are not all inclusive.

Routine Supplies (Including Disposable/Reusable)	
Admission, hygiene, and or comfort kits	Odor eliminator/room deodorizer
Alcohol and alcohol swabs	Oral swabs
Arterial blood gas kits	Oxygen masks

Baby powder	PICC (peripherally inserted central catheter) line
Band-aids	Pillows
Basin	Preparation kits
Bedpan, regular or fracture pan	Razors
Blood tubes	Restraints
Cotton balls, sterile or nonsterile	Reusable sheets, blankets, pillowcases, draw sheets, underpads, washcloths and towels
Deodorant	Saline solutions (e.g., flush and irrigation)
Drapes	Shampoo
Emesis Basin	Sharps containers
Gloves used by members or staff	Shaving cream
Gowns used by members or staff	Skin cleansing liquid (e.g., Chlorhexidine, iodine)
Heat light or heating pad	Soap
Ice packs	Socks/slippers
Interactive telecommunication or information technology devices	Specipan
Irrigation solutions	Sputum trap
Items used to obtain a specimen or complete a diagnostic or therapeutic procedure	Surgical masks used by members or staff
IV (intravenous) arm boards	Syringes
Kleenex tissues	Tape
Lemon glycerin swabs (flavored swabs)	Thermometers
Lotion (e.g., diaper rash ointment, Aquaphor)	Toilet tissue

Lubricant Jelly	Tongue depressors
Masks used with medical equipment (e.g., BiPAP/CPAP, nebulizers)	Toothettes, oral swabs
Meal trays	Toothbrush
Measuring pitcher	Toothpaste
Mid-stream urine kits	Tubing (e.g., oxygen, IV)
Mouth care kits	Urinal
Mouthwash	Water
Needles	Water pitcher

Medical Equipment	
Ambu bag	Guest beds
Anesthesia machine monitors	Heating or cooling pumps
Aqua pad motor	Hemodynamic monitors (inclusive of Critical Care room charge only)
Arterial pressure monitors (inclusive of Critical Care room charge only)	Humidifiers
Auto Syringe Pump	Infant warmers
Automatic thermometers and blood pressure machines	IV pumps, poles, single and multiple line, tubing
Bed scales	Nebulizers
Bedside commodes	Overhead frames
Blood pressure cuffs	Over-bed tables
Blood warmers	Oximeters/Oxisensors- single use or continuous
Cardiac monitors	Member room furniture (e.g., manual, electric, semi-electric beds)

CO2 monitors	PCA pump
CPAP (continuous positive airway pressure)/BiPAP (bilevel positive airway pressure) within SCU	Penlight or other flashlight
Crash cart	Pill pulverizer
Defibrillator and paddles	Pressure bags or pressure infusion equipment
Digital recording equipment and printouts	Radiant warmer
Dinamap	Sitz baths
Emerson pumps	Stethoscopes
Fans	Telephone
Feeding pumps	Televisions
Flow meters	Traction equipment
Footboard	Transport isolette
Glucometers	Ventilator within SCU
Gomco pumps	Wall Suction (continuous or intermittent)

Facility Basic Charges

Administration of blood or any blood product (does not include blood bank preparation or storage, cryo, and thaw.)	Monitoring of cardiac monitors, CVP (central venous pressure) lines, Swan-Ganz lines/pressure readings, arterial lines/ readings, pulse oximeters, cardiac output, pulmonary arterial pressure
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Administration or application of any medicine, chemotherapy, and/or IV fluids	Neurological status checks
Arterial and venipuncture	Nursing care
Assisting members onto bedpan, bedside commode, or into bathroom	Obtaining and recording of blood pressure, temperature, respiration, pulse, pulse oximetry
Assisting physician or other licensed personnel in performing any type of procedure in the member's room, treatment room, surgical suite, endoscopy suite, cardiac catheterization lab, or x-ray	Obtaining: finger-stick blood sugars, blood samples from either venous sticks or any type of central line catheter or PICC line, urine specimens, stool specimens, arterial draws, sputum specimens, or body fluid specimen
Bathing of members	Oral care
Body preparation of deceased members	Oxygen
Cardiopulmonary resuscitation-management or participation in cardiopulmonary arrest event	No separate charges will be allowed for callback, standby, urgent attention, ASAP, stat, or portable fees
Changing of dressing, bandages and/or ostomy appliances	PICC line placement
Changing of linens and member gowns	Point-of-Care Testing (POC/POCT) (i.e., Accucheck, single determination or continuous pulse oximetry monitoring, ACT, APTT, istat abg, istat cap bg, istat cord bg)
Chest tube maintenance and removal	Preoperative care
Enema administration	Respiratory therapy services (e.g., inhalation treatment, chest wall manipulation)
Enterostomal services	Set up and/or take-down of: IV pumps, suction, flow meters, heating or cooling pumps, over-bed frames, oxygen, feeding pumps, TPN, traction equipment, monitoring equipment

Feeding of members	Shampoo hair
Incontinence care	Start and/or removal of IV lines
Insertion, removal, and/or maintaining nasogastric tubes	Suctioning or lavaging of members
Intubation and extubation	Telemetry
Maintenance and flushing of: J-tubes, PEG tubes, and feeding tubes of any kind	Tracheostomy care and changing of cannulas
Maintenance of oxygen administration and equipment	Transporting, ambulating, range of motion, transfer to and from bed or chair
Medical record documentation	Turning and weighing members
Member and family education and counseling (e.g., diabetic education, smoking cessation, lactation, car seat training)	Urinary catheterization
Mixing, preparation, or dispensing of any medications, IV fluids, total parenteral nutrition (TPN), or tube feedings	Ventilator support and management within SCU
Monitoring and maintenance of peripheral or central IV lines and sites – to include site care, dressing changes, and flushes	

Surgical Rooms, Equipment, and Services

Surgical rooms, equipment, and services: include surgical suites, major and minor treatment rooms, endoscopy labs, cardiac cath labs, X-ray, pulmonary and cardiology procedural rooms. The hospital's charge for surgical suites and services shall include nursing personnel services, supplies, and equipment (as included in the basic or critical care daily room charges).

The table below includes examples of items, equipment, and services that are not eligible for separate reimbursement as they are included in the surgical room and services. This list is not all inclusive.

Surgical Equipment and Services	
Air conditioning and filtration	Lights, light handles, light cord, fiber optic microscopes
All reusable instruments charged separately	Midas Rex
All services rendered by RNs, LPNs, scrub technicians, surgical assistants, orderlies, and aides	Monopolar and bipolar electrosurgical/Bovie or cautery equipment
Anesthesia equipment and monitors	Obtaining laboratory specimens
Any automated blood pressure equipment	Power equipment
Cardiac monitors	Room heating and monitoring equipment
Cardiopulmonary bypass equipment	Room set-up of equipment and supplies
CO2 monitors	Saline slush machine
Crash carts	Solution warmer
Digital recording equipment and printouts	Surgeons' loupes or other visual assisting devices
Dinamap	Surgical tray
Fracture tables	Transport monitor

Grounding pads	Video camera and tape
Hemochron	Wall suction equipment
Hemoconcentrator	X-ray film
Laparoscopes, bronchoscopes, endoscopes, and accessories	

Additional Information for Respiratory Services

The following are examples of respiratory services that are not eligible for separate reimbursement, including but not limited to:

- All nursing care, including respiratory technician time, and personnel
- Routine disposable and/or reusable equipment
- Routine or disposable supplies and/or items
- Respiratory assessment with treatments
- Oxygen or breathing treatments that are included in the respiratory therapy charge:
 - Aerosol
 - Incentive spirometry
 - Intermittent positive pressure breathing (IPPB)
 - Percussion or postural drainage treatment
- Ventilator services including but not limited to:
 - Intubation and/or extubating supplies
 - Manual ventilation services during in-hospital transport
 - Endotracheal tube care
 - Breathing circuit
 - Intermittent mandatory ventilation (IMV) circuit
 - Positive end-expiratory pressure (PEEP)

Billing and Coding

When billing for a drug, supply, service or procedure, providers should select the CPT or HCPCS code that accurately describes the administered drug(s), service(s) or procedure(s) performed. If and only if no code exists, providers should report the appropriate unlisted code. Unlisted codes are used as a last resort and only when there is not a more appropriate code. Submission of an unlisted code must be submitted with supporting documentation.

Revenue Codes

Commonly associated revenue codes that may be reviewed, including but not limited to:

Revenue Code	Description
0250	Pharmacy- General
0260	IV Therapy- General
0270	Medical/Surgical Supplies & Devices- General
0272	Medical/Surgical Supplies & Devices- Sterile
0274	Medical/Surgical Supplies & Devices- Prosthetic/Orthotic Devices
0277	Medical/Surgical Supplies & Devices- Take-Home Oxygen
0278	Medical/Surgical Supplies & Devices- Other Implants
0279	Medical/Surgical Supplies & Devices- Other Supplies/Devices
0391	Administration, Processing and Storage for Blood and Blood Components- Administration (e.g., Transfusions)
0410	Respiratory Services- General
0460	Pulmonary Function- General
0942	Other Therapeutic Services- Education/Training

Revenue Code 0278

The following information pertains to inpatient/outpatient hospital claim/billed charges for revenue code 0278 (other implants):

- Revenue code 0278 should not be billed for an item(s) that may be considered as a supply. If billed, these charges may be ineligible for separate reimbursement.

Additional Resources

Clinical Payment and Coding Policy

CPCP001 Observation Services Policy

CPCP010 Anesthesia Information- Professional Provider

CPCP014 Global Surgical Package – Professional Provider

CPCP017 Wasted/Discarded Drugs and Biologicals Policy

CPCP018 Revenue Codes Requiring Supporting CPT, HCPCS and/or NDC Codes- Outpatient Facility Claims

CPCP026 Therapeutic, Prophylactic, Diagnostic, Injection, and Infusion Administration Coding

CPCP035 Unlisted/Not Otherwise Classified (NOC) Coding Policy

CPCP039 Outpatient Facility Service(s) Overlapping During an Inpatient Stay

References

CMS Provider Reimbursement Manual, Determination of Cost of Services to Beneficiaries, Chapter 22, Section 2202.6. Accessed 08.14.2025

CMS, National Correct Coding Initiative Policy Manual for Medicare Services, Chapter 1, General Correct Coding Policies, Section A. Accessed 08.14.2025

CMS, Medicare Claims Processing Manual, Chapter 12, Physicians/Non-Physician Practitioners, Rev. 13012; Issued 12.19.2024. Accessed 08.14.2025

CMS, Local Coverage Determination (LCD). Respiratory Therapy (Respiratory Care). L34430. Coverage Guidance. Accessed 08.14.2025. <https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?LCDId=34430&DocID=L34430>

CMS, National Coverage Determination (NCD). Blood Transfusions. 110.7. Indications and Limitations of Coverage. B. Policy Governing Transfusions. Accessed 08.14.2025. <https://www.cms.gov/medicare-coverage-database/view/ncd.aspx?ncdid=154>

Policy Update History

Approval Date	Description
06/11/2018	New policy
11/07/2018	Verbiage updates
04/01/2019	Verbiage updates and Annual Review
05/22/2019	Updated references
09/30/2019	Updated references
12/04/2020	Annual Review, Disclaimer Update, Verbiage Updates
12/16/2021	Annual Review
12/21/2023	Annual Review
12/09/2025	Annual Review; Terms and Applicable Information section revised which includes new examples, clarification, and language removal; Routine Supplies, Medical Equipment, and Facility Basic Charges section revised which includes new examples, clarification, and language removal of items in tables; Surgical Rooms, Equipment, and Services section revised which includes new example in table, and clarification; Additional Information for Respiratory Services section revised which includes new formatting and placement of language previously in the section; Revenue Codes subsection added; Revenue Code 0278 section revised; Additional Resources updated; References updated.