

SUPPLIES, MATERIALS AND BUNDLED SERVICES

Services and supplies must be medically necessary and must be prescribed by an approved provider for the direct treatment of an **accepted** condition. Supplies include, but aren't limited to:

- Drugs administered in a provider's office
- Medical and surgical supplies
- Prefabricated orthotics.

Providers must bill specific HCPCS or local codes for supplies and materials provided during an office visit or with other office services. The insurer won't pay CPT® code 99070, which represents miscellaneous supplies and materials provided by the physician.

Under the fee schedules, some services and supply items are considered bundled into the cost of other services (associated office visits or procedures) and won't be paid separately. See [WAC 296-20-01002](#) for the definition of bundled codes.

Supplies used in the course of an office visit are considered bundled and aren't payable separately.

Fitting fees are bundled into the office visit or into the cost of any DME and aren't payable separately.

Billing Tip

NOTE: Bundled codes contain the word bundled in the dollar value column in the Professional Services Fee schedule. Refer to **Appendices B and C** for lists of bundled services and supplies.

ACQUISITION COST POLICY

NOTE: This policy doesn't apply to hospital bills. Refer to the Facilities Section for the [hospital acquisition](#) cost policy, page **190190**.

Supply codes without a fee listed **will be paid** at their acquisition cost.

The total acquisition cost should be billed as 1 charge. The acquisition cost equals:

- The wholesale cost plus
- Shipping and handling plus
- Sales tax.

For taxable items, an itemized listing of the cost plus sales tax may be attached to the bill but isn't required.

Wholesale invoices for all supplies and materials must be kept in the provider's office files for a minimum of 5 years.

A provider must submit a hard copy of the wholesale invoice to the insurer when billing for a supply item that costs \$150.00 or more, or upon request. The insurer may delay payment of the provider's bill if the insurer has not received this information.

Billing Tip

Sales tax and shipping and handling charges aren't paid separately, and must be included in the total charge for the supply. An itemized statement showing net price plus tax may be attached to bills but isn't required.

CASTING MATERIALS

Bill for casting materials with HCPCS codes Q4001-Q4051. No payment will be made for the use of a cast room. Use of a cast room is considered part of a provider's practice expense.

MISCELLANEOUS SUPPLIES

The following supplies must be billed with HCPCS Code E1399:

- Therapy putty and tubing
- Anti-vibration gloves

Bills coded with E1399 will be reviewed for payment and must meet the following criteria:

- E1399 is payable only for DME that doesn't have a valid HCPCS code assigned.
- All bills for E1399 items must have either the –NU or –RR modifier.
- A description must be on the paper bill or in the remarks section of the electronic bill.
- The item must be appropriate relative to the injury or type of treatment being received by the worker

CATHETERIZATION

Separate payment is allowed for placement of a temporary indwelling catheter when performed in a provider's office and used to treat a temporary obstruction. Payment for the service isn't allowed when the procedure is performed on the same day or during the postoperative period of a major surgical procedure that has a follow up period.

For catheterization to obtain specimen(s) for lab tests, see the [Pathology and Laboratory Services](#) section, page 109.

SURGICAL TRAYS AND SUPPLIES USED IN THE PHYSICIAN'S OFFICE

L&I follows CMS's policy of bundling HCPCS codes for surgical trays and supplies used in a physician's office.

SURGICAL DRESSINGS DISPENSED FOR HOME USE

The cost for surgical dressings applied during a procedure, office visit, or clinic visit is included in the practice expense component of the RVU (overhead) for that provider. No separate payment is allowed.

Primary and secondary surgical dressings dispensed for home use are payable at acquisition cost when **all** of the following conditions are met:

- They are dispensed to a patient for home care of a wound and
- They are medically necessary and
- The wound is due to an accepted, work-related condition.

Primary Surgical Dressings

Primary surgical dressings are therapeutic or protective coverings applied directly to wounds or lesions either on the skin or caused by an opening to the skin. Examples of primary surgical dressings include items such as:

- Telfa
- Adhesive strips for wound closure
- Petroleum gauze

Secondary Surgical Dressings

Secondary surgical dressings serve a therapeutic or protective function and secure primary dressings. Examples include items such as: adhesive tape, roll gauze, binders, and disposable compression material. They don't include items such as elastic stockings, support hose and pressure garments. These items must be billed with the appropriate HCPCS.

Providers must bill the appropriate HCPCS code for each dressing item, along with the local modifier –1S for each item. Surgical dressing supplies and codes billed without the local modifier –1S are considered bundled and won't be paid.

HOT AND COLD PACKS OR DEVICES

The application of hot or cold packs is bundled for all providers.

Hot or cold therapy durable medical equipment (DME) **isn't covered**.

Exception: E0230, Ice cap or collar, is **covered** for DME providers only.

[WAC 296-20-1102](#) prohibits payment for heat devices for home use including heating pads.

These devices are either bundled or **not covered** (see **Appendices B, C and D and the Durable Medical Equipment section**).