

## Internal Medicine Coding Alert

### News Brief: HCFA Clarifies Latest Changes to Process of Getting Pulse Oximetry Monitoring Payment

The Health Care Financing Administration (HCFA), the federal agency that oversees the Medicare program, has once again revised its policy on payments for pulse oximetry monitoring (CPT codes 94760-94762). These services will no longer be separately reportable unless they are the only service performed for that patient on that day, says **Rick Ensor**, a spokesperson in the division of provider relations at HCFA. We are issuing a new carrier memorandum to reclassify these codes from procedure status A to procedure status T, he states.

Although the T-category currently is reserved for injection codes, and pulse oximetry is not an injection, this is the only category that will allow the codes to be paid appropriately under the new policy by carrier computer claims editing software. The agency plans to rework the definition of the T category to include these other services.

#### Background

Recently, providers have been confused regarding how to report pulse oximetry monitoring to Medicare. The final rule on the Medicare 2000 Physician Fee Schedule, published in the Federal Register on Nov. 2, 1999, listed the pulse oximetry codes as category B codes, which means that payment is always bundled into the payment for other services.

A subsequent carrier memorandum dated December 1999, Emergency Changes to the 2000 Medicare Physician Fee Schedule Database (HCFA transmittal no. B-99-45), listed a series of changes to the schedule, including changing codes 94760 and 94761 from status B to status A which would make them active codes. According to the final rule, active codes are separately payable under the fee schedule if they are a covered service.

We have since pulled back from both of those decisions, says Ensor.

When revising the 2000 fee schedule, HCFA decided that advances in technology had so simplified the performance and cost of this procedure that separate payment was no longer warranted. But following the publication of the policy, the agency was made aware of several companies whose sole service was to provide pulse oximeter monitors to patients in their home. The agency first decided to allow separate payment to permit these providers to bill for their services. But HCFA has now decided on a policy that will both allow those providers to bill, but still limit payment for these services in other circumstances the policy HCFA originally intended, Ensor explains.

Note: See the insert for a copy of the carrier memorandum dated January 2000 Emergency Changes to the 2000 Medicare Physician Fee Schedule Database (HCFA transmittal no. B-00-03). This also can be accessed by going to HCFAs Web site at [www.hcfa.gov/pubforms/transmit/b000360.pdf](http://www.hcfa.gov/pubforms/transmit/b000360.pdf).