

Itemized Bill Review

Reimbursement Policy ID: RPC.0049.SCDS

Recent review date: 12/2024

Next review date: 09/2026

First Choice VIP Care reimbursement policies and their resulting edits are based on guidelines from established industry sources, such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), state and federal regulatory agencies, and medical specialty professional societies. Reimbursement policies are intended as a general reference and do not constitute a contract or other guarantee of payment. First Choice VIP Care may use reasonable discretion in interpreting and applying its policies to services provided in a particular case and may modify its policies at any time.

In making claim payment determinations, the health plan also uses coding terminology and methodologies based on accepted industry standards, including Current Procedural Terminology (CPT); the Healthcare Common Procedure Coding System (HCPCS); and the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM), and other relevant sources. Other factors that may affect payment include medical record documentation, legislative or regulatory mandates, a provider's contract, a member's eligibility in receiving covered services, submission of clean claims, and other health plan policies, and other relevant factors. These factors may supplement, modify, or in some cases supersede reimbursement policies.

This reimbursement policy applies to all health care services billed on a CMS-1500 form or its electronic equivalent, or when billed on a UB-04 form or its electronic equivalent.

Policy Overview

Inpatient facility services are reimbursed under a prospective payment system, where the payment amount for a particular service is based on the classification system of that service. In addition to the basic prospective payment, an outlier payment is made for cases that incur costs above the facility-specific threshold.

In accordance with state and federal requirements for government health plans, First Choice VIP Care administers itemized bill reviews to ensure the accuracy of payments made on inpatient facility claims with cost outliers. First Choice VIP Care applies the CMS criteria and guidelines, which are the industry-accepted standard, as well as all state-specific requirements for itemized bill review and inpatient facility reimbursement.

Exceptions

N/A

Reimbursement Guidelines

For inpatient facility claims paid under Diagnostic-Related Group (DRG) submitted with cost outliers:

- 1) First Choice VIP Care will pend the claim and request an itemized bill from the provider. The request will include instructions on how and by when the itemized bill must be submitted. If the itemized bill is not received from the provider, First Choice VIP Care will pay base DRG only.
- 2) First Choice VIP Care will reconcile charges between the itemized bill and the claim. The claim will be adjusted without an outlier payment for charges that reflect discrepancies between the claim and the itemized bill. These discrepancies include, but are not limited to:
 - Duplicate charging for the same service/supply and unbundling the charge of a service/supply—particularly a routine service/supply—from another service/supply that is already being charged.
 - Providers are also reminded that each hospital operating within the United States is required to establish a list of standard charges for its services/supplies, including those for diagnosis-related groups (DRGs).
- 3) First Choice VIP Care will communicate the determination of the itemized bill review to the provider within 30 days of receiving the itemized bill. The communication will include instructions if the provider wishes to dispute or appeal.

Definitions

N/A

Edit Sources

- I. False Claims Act (31 USC §§ 3729-3733).
- II. Medicare and Medicaid Program Integrity (42 USC § 455, 42 USC § 420).
- III. Affordable Care Act Standard Hospital Charges (42 USC § 300gg-18(e)).
- IV. Centers for Medicare and Medicaid Services (CMS) Outlier Payments, <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/outlier>
- V. National Uniform Billing Committee (NUBC) Official UB-04 Data Specifications.
- VI. Current Procedural Terminology (CPT).
- VII. Healthcare Common Procedure Coding System (HCPCS).
- VIII. International Statistical Classification of Diseases and Related Health Problems, 10th Revision (ICD10), and associated publications and services.

Attachments

N/A

Associated Policies

N/A

Policy History

12/2024	Reimbursement Policy Committee Approval
10/2024	Annual review • Updated to biennial review
04/2024	Revised preamble
10/2023	Reimbursement Policy Committee Approval

08/2023	Removal of policy implemented by First Choice VIP Care from Policy History section
01/2023	Template revised • Preamble revised • Applicable Claim Types section removed • Coding section renamed to Reimbursement Guidelines • Associated Policies section added