



OVERNIGHT PULSE OXIMETRY

Following is an overview that details coding, coverage and payment for overnight pulse oximetry. Note that this information does not guarantee coverage or payment. For further information regarding specific reimbursement guidelines, please consult your local payer (including your Medicare carrier), the Federal Register or the Physician's Current Procedural Terminology, Fourth Edition (CPT-4).

CODING

CPT-4 codes are used to report physician services, hospital outpatient and non-hospital services. A CPT code exists for billing overnight pulse oximetry: CPT-4 code 94762, *non-invasive ear or pulse oximetry for oxygen saturation; by continuous overnight monitoring (separate procedure)*¹.

CPT-4 code 94762 does not specify a site of service. It is a technical component only code and does not include a separate professional component. Therefore, as confirmed by the AMA, to bill CPT-4 code 94762, a physician must lease, rent or own the oximeter in order to meet the CPT-4 billing ownership criterion.

COVERAGE AND PAYMENT

Medicare Coverage

In the absence of a national coverage decision regarding overnight pulse oximetry, individual Medicare carriers are responsible for making local coverage decisions specific to CPT-4 code 94762. The Health Care Financing Administration has stated that overnight oximetry must be performed under the general supervision of a physician to qualify for payment. The definition of general supervision is:

The procedure is furnished under the physician's overall direction and control, but the physician's presence is not required during the performance of the procedure. Under general supervision, the training of the nonphysician personnel who actually perform the diagnostic procedure and the maintenance of the necessary equipment and supplies are the continuing responsibility of the physician.

Based on our research, a number of Medicare carrier policies state specifically that they will cover and reimburse for overnight oximetry if medically necessary for the patient. For example, Palmetto in South Carolina has a policy which specifies:

Continuous overnight monitoring in the home is covered only when the results are reliable in that setting. The patient's record must document that the oximeter is preset and self

¹ CPT™ five-digit codes, nomenclature and other data are copyright 2001 American Medical Association. All rights reserved.

sealed and cannot be adjusted by the patient. In addition, the device must provide a printout that documents an adequate number of sampling hours, per cent of oxygen saturation and an aggregate of the results. The information must be available if requested.

In contrast, Trailblazer Health Enterprise is a carrier with a non-policy, stating:

Procedure code 94762 is a non-covered service. When treatments are being provided by the physician's auxiliary personnel and the patients have an acute diagnosis, the physician must remain in the same exam office for the duration of the treatment.

(In effort to overturn this non-coverage decision for overnight oximetry, Lash Group is working closely with the medical director of Trailblazer Health Enterprises.) These differing policies demonstrate the need for physicians to determine the applicable coverage policy used by individual carriers, before submitting any claims for CPT code 94762.

Regarding medical necessity and related criteria, Medicare carriers covering oximetry typically require that patients have a condition resulting in hypoxemia. Nevertheless, some Medicare carriers limit the number of oximetry studies eligible for reimbursement during a given period of time, and they may subject to medical review multiple claims for oximetry. Coverage is based on the carrier's individual discretion, and, in areas where oximetry is covered, physicians should document closely the medical need for the procedure, as the carrier may request this information. As always, if a carrier limits the number of overnight oximetry tests allowed and a physician feels that an additional test is medically necessary, the physician should contact the medical director.²

Medicare Payment

Where coverage is appropriate, Medicare reimburses for overnight oximetry ordered from the physician office based on the 2002 Medicare Physician Fee Schedule. As indicated in the November 1, 2001 Federal Register, the current reimbursement for CPT-4 code 94762, not taking into consideration the geographic indicator, is \$29.68. For reimbursement rates specific to the individual carriers, please see the attached Medicare table. The existence of a reimbursement rate does not guarantee that coverage and payment will be made in each case.

Medicaid

Coverage policies vary by state; however, it appears that the majority of Medicaid programs reimburse for overnight oximetry, given medical necessity. For a state by state coverage and payment analysis, see the attached Medicaid table.

Private Payers

Coverage policies will vary by payer, provider contract and patient plan. However, many payers use Medicare coverage guidelines as a benchmark and will reimburse for overnight oximetry, given medical necessity.

² All information from this paragraph taken from *Appropriate Coding for Critical Care Services & Pulmonary Medicine*, APCC, 1999.

Table 1. Medicare

State	Medicare Carrier	Medicare Carrier 2002 Fee Schedule for 94762*
AL	Noridian Mutual	\$25.64
AR	Arkansas Blue Cross Blue Shield	\$23.67
AK	Noridian Mutual	\$34.94
AZ	Noridian Mutual	\$29.42
CA	National Heritage	\$29.86
CA (Marin/Napa/Solana)	National Heritage	\$35.42
CA (San Francisco)	National Heritage	\$41.05
CA (San Mateo)	National Heritage	\$40.35
CA (Oakland/ Berkeley)	National Heritage	\$35.07
CA (Santa Clara)	National Heritage	\$38.82
CA (Ventura)	National Heritage	\$32.40
CA (Los Angeles)	National Heritage	\$33.28
CA (Anaheim/ Santa Ana)	National Heritage	\$34.48
CO	Noridian Mutual	\$29.01
CT	First Coast Service Options	\$33.76
DC	Trailblazers Health Enterprises	\$33.87*
DE	Trailblazers Health Enterprises	\$29.79*
FL	Florida Blue Cross Blue Shield	\$29.00
FL (Ft. Lauderdale)	Florida Blue Cross Blue Shield	\$32.71

* At the time of our research, 94762 was listed as a non-covered service with Trailblazers Health Enterprises. Providers should not submit claims to carriers for non-covered services. Charges for non-covered services may be billed directly to the Medicare beneficiary. Providers should contact their carrier Medical Director to advocate for a review of coverage for this procedure. (This information was obtained through conversations with Provider Representatives at Trailblazers Health Enterprises and from Medicare's OIG Compliance Guidance for Individual Physicians and Small Group Practices, September 25, 2000.)

** At the time of our research, Medicare Carriers for these states indicated that they provide only limited coverage for 94762. 94762 is non-covered in the home or physician office setting. (This information was obtained through conversations with Provider Representatives at the state Medicare Carrier level.)

State	Medicare Carrier	Medicare Carrier 2002 Fee Schedule for 94762*
FL (Miami)	Florida Blue Cross Blue Shield	\$35.50
GA	Cahaba GBA	\$26.60
GA (Atlanta)	Cahaba GBA	\$31.08
GU	Noridian Mutual	\$32.52
HI	Noridian Mutual	\$32.52
IA	Noridian Mutual	\$25.19
ID	Cigna Healthcare	\$25.04
IL	Wisconsin Physicians Service	\$27.16
IL (St. Louis)	Wisconsin Physicians Service	\$29.65
IL (Suburban Chicago)	Wisconsin Physicians Service	\$33.45
IL (Chicago)	Wisconsin Physicians Service	\$34.46
IN	AdminaStar Federal	\$26.09
KS	Kansas Blue Cross Blue Shield	\$26.16
KY	AdminaStar Federal	\$25.74**
LA	Arkansas Blue Cross Blue Shield	\$26.41
LA (New Orleans)	Arkansas Blue Cross Blue Shield	\$29.03
MA	National Heritage	\$32.51
MA (Boston)	National Heritage	\$35.46
MD	Trailblazers Health Enterprises	\$28.28*
MD (Baltimore and surrounding area)	Trailblazers Health Enterprises	\$30.46*
ME (South)	National Heritage	\$28.69
ME (North)	National Heritage	\$26.31
MI	Wisconsin Physicians Service	\$29.68
MI (Detroit)	Wisconsin Physicians Service	\$35.73
MN	Wisconsin Physicians Service	\$27.40
MO	Arkansas Blue Cross Blue Shield	\$24.40
MO (Kansas City)	Arkansas Blue Cross Blue Shield	\$28.35
MO (Johnson/Wyandotte)	Arkansas Blue Cross Blue Shield	\$26.16

State	Medicare Carrier	Medicare Carrier 2002 Fee Schedule for 94762*
MO (St. Louis)	Kansas Blue Cross Blue Shield	\$27.58
MS	Cahaba GBA	\$24.68
MT	Blue Cross Blue Shield of Montana	\$25.57
NC	Cigna Healthcare	\$26.66
ND	Noridian Mutual	\$25.48
NE	Kansas Blue Cross Blue Shield	\$24.74
NH	National Heritage	\$29.98
NJ (North)	Empire Blue Cross Blue Shield	\$34.45
NJ (South)	Empire Blue Cross Blue Shield	\$32.22
NM	Arkansas Blue Cross Blue Shield	\$26.72
NV	Noridian Mutual	\$31.33
NY	Blue Cross Blue Shield of Western New York	\$27.50
NY (Queens)	GHI	\$38.31
NY (Manhattan)	Empire Blue Cross Blue Shield	\$41.02
NY (New York City Suburbs/ Long Island)	Empire Blue Cross Blue Shield	\$39.16
NY (Poughkeepsie/North New York City Suburbs)	Empire Blue Cross Blue Shield	\$32.49
OH	Nationwide Mutual	\$28.06
OK	Arkansas Blue Cross Blue Shield	\$24.75
OR	Noridian Mutual	\$26.26
OR (Portland)	Noridian Mutual	\$29.36
PA	HGS Administrators	\$27.13
PA (Philadelphia)	HGS Administrators	\$33.34
PR	Triple S	\$19.87
RI	Blue Cross Blue Shield of Rhode Island	\$31.09
SC	Blue Cross Blue Shield of South Carolina	\$25.02
SD	Noridian Mutual	\$24.70
TN	Cigna Healthcare	\$25.82
TX	Trailblazers Health Enterprises	\$26.34*

State	Medicare Carrier	Medicare Carrier 2002 Fee Schedule for 94762*
TX (Brazoria)	Trailblazers Health Enterprises	\$30.07*
TX (Dallas)	Trailblazers Health Enterprises	\$31.22*
TX (Galveston)	Trailblazers Health Enterprises	\$29.83*
TX (Houston)	Trailblazers Health Enterprises	\$30.84*
TX (Beaumont)	Trailblazers Health Enterprises	\$27.72*
TX (Ft. Worth)	Trailblazers Health Enterprises	\$28.97*
TX (Austin)	Trailblazers Health Enterprises	\$29.17*
UT	Blue Cross Blue Shield of Utah	\$27.07
VA	Trailblazers Health Enterprises	\$26.57*
VI	Triple S	\$30.31
VT	National Heritage	\$27.97
WA	Noridian Mutual	\$28.32
WA (Seattle)	Noridian Mutual	\$31.75
WI	Wisconsin Physicians Service	\$27.60**
WV	Nationwide Mutual	\$26.76
WY	Noridian Mutual	\$26.89

Table 2. Medicaid

State	State Medicaid 2000 Fee Schedule³ for 94762
AL	\$33.80
AR	*
AS	\$44.17
AZ	\$42.85
CA	*
CO	\$86.80
CT	\$20.63
DC	\$18.00
DE	*
FL	*
GA	\$36.63
HI	**
IA	\$27.97
ID	\$30.83
IL	\$11.72
IN	\$11.72
KS	\$30.00
KY	\$31.40
LA	\$35.69
MA	\$30.51
MD	*
ME	\$30.56
MI	**
MN	\$51.87
MO	\$17.50
MS	\$32.81
MT	\$39.37
NC	\$23.45
ND	\$35.72
NE	\$32.40
NH	\$24.00

³ Lash Group contacted each state individually by phone, to confirm current reimbursement for 94762.

* At the time of our research, 94762 was listed as a non-covered service. Providers should contact their Medicaid Medical Director to advocate for a review of coverage for this procedure.

**At the time of our research, this information was not available. We encourage you to contact your state Medicaid program directly for this payment information.

State	State Medicaid 2000 Fee Schedule³ for 94762
NJ	\$12.00
NM	\$34.76
NV	\$43.49
NY	*
OH	*
OK	\$25.13
OR	**
PA	\$14.00
RI	\$14.40
SC	**
SD	**
TN	**
TX	*
UT	\$22.07
VA	\$19.01
VT	*
WA	\$27.18
WI	\$40.41
WV	*
WY	70% of charges