Institutional Handbook of Operating Procedures Policy 09.08.01	
Section: Clinical	Responsible Vice President: Executive Vice President, Chief Finance Officer
Subject: Charges and Billing for Supplies	Responsible Entity: Department of Revenue Integrity and Department of Chargemaster

I. Title

Supply Charging Policy

II. Policy

A. Purpose: To provide instruction for determining the criteria for charging for supplies and equipment.

B. It is the policy of UTMB to charge separately for implants and non-routine items. These items must be directly identifiable to an individual patient, furnished to patients by order of the patient's physician or other qualified provider, and properly documented in patient charts, department logs, computerized documentation systems, or other hospital records.

C. The Center for Medicare and Medicaid Services (CMS) groups hospital medical supplies into routine and non-routine categories. The following information should be used to help determine the difference between these two categories as routine supplies should not be charged separately.

III. Procedure

A. Routine Supply Items

1. The Centers for Medicare & Medicaid Services (CMS) provides regulatory billing guidance for routine supply items. Routine supply items are generally not separately charged. Costs incurred by the hospital to purchase routine items are recovered through the room and board or procedure rates.

2. Special order supply items may be separately charged in addition to the room and board/procedure charge if the item meets the following criteria:

   a. Item is directly identifiable to an individual patient with specific documentation or easily inferred documentation;
   b. Item is furnished at the direction of a licensed healthcare provider and documented in the patient's medical record;
   c. Item is NOT generally provided to most patients;
   d. Item is NOT reusable; and
   e. Item represents a cost for each preparation.

3. Routine supplies are not separately billable and are included in the charge for the patient room or procedural area where services are rendered. All gowns, gloves, diapers, and drapes are considered routine supplies and not separately billable items. Other examples include preparation kits, underpads, tape, pillows, towels, bed linens, band aids, 4X4 gauze, syringes, saline solutions, and reusable items such as cardiac monitors and rental equipment.

B. Non-Routine Supply Items

1. Separately billable supplies are necessary items to treat a specific patient's illness or injury based on a provider's order and a documented plan of care. These types of supplies are those medical/surgical items that due to their therapeutic or diagnostic characteristics are essential to patient care. Non-routine supplies are separately billable supplies. To be billed as a non-routine supply, the item must be:

   a. Directly identifiable to a specific patient; that is, the supply should not be a floor stock/bulk item;
   b. Furnished at the direction of the patient's physician or other qualified provider because of a specific medical need (excluding gowns, gloves, drapes etc.) and must be documented in the patient's medical record; and
   c. Either non-reusable or represent a cost for each preparation.

2. Examples of non-routine supply items include, but are not limited to pacemakers, angioplasty balloon, stents, artificial joints, and feeding tubes.

3. Questions to consider in determining routine vs. non-routine supply items:

   a. Is the item a personal care or personal convenience item? (e.g., powder or lotion)
   b. Is the item ordinarily used for most patients? Is this a bulk supply item that is open for use to the general patient population?
   c. Is this item considered to be durable medical equipment? (Examples are crutches, canes, walkers, wheelchairs)
   d. Is this item a food supplement or part of a dietary plan? (e.g., jevity, ensure)
   e. Is this item a piece of equipment or reusable?

4. If the answer to ONE of the above questions is YES, the item is considered to be a routine supply and not separately billable. (Only one question has to be answered as Yes.)

5. If the answer to ALL of the above questions is NO, continue with the following questions:

   a. Is the item medically necessary and furnished at the direction of the patient's physician or other qualified provider?
   b. Is the item specifically used (identifiable) for an individual patient?
   c. Is the item disposable and/or used only on one patient and then thrown away?

6. If the answers to questions (3) a-e are NO, and the answer to questions (5) a-c are YES, then this item is not routine and is separately billable.

7. *Equipment*: When UTMB decides to provide a service, it is the hospital's responsibility to have the appropriate and required equipment necessary to provide the service. Equipment items are reusable items which are owned, leased, or rented by UTMB and are not directly identifiable to an individual patient. Examples include but are not limited to: cardiac monitors, lasers, fetal monitors, arthroscopes, and laparoscopes. These items are included in the charge for the procedure and not separately billable.

8. *Durable Medical Equipment (DME)*: UTMB does not possess a certificate to bill for DME related products and therefore will not create charge codes in the chargemaster for DME related products. Examples of DME products include but are not limited to walkers, canes,

wheelchairs, or breathing machines.

9. *Implants, "component parts", and devices*: These items are also considered as non-routine supplies and are separately billable. Implants and devices are considered to be objects or materials partially or totally inserted or grafted into the body for prosthetic, therapeutic, or diagnostic purposes. Examples include but are not limited to: a piece of tissue, a tooth, a pellet of medicine, a tube or needle containing a radioactive substance, a stent, a graft, or an insert. Such items typically require the use of specialized fixation/external fixation or implant and component parts such as pins, screws, catheters, or introducers. All of these items are necessary to the effective use or functioning of the primary item.

C. Examples of Equipment, Routine Supplies and Personal Convenience Items: Routine items examples - This is NOT intended to be an all-inclusive list.

Equipment	**Supplies**	**Personal Convenience**
Autoclaves Sterilizers	Accustick	Admission Kit
Bed scale	Band Aids	Body bags
Beds, Stretchers & Tables	Bed pans	Comb/brush
Bilirubin light	Blood pressure cuffs	Deodorant
Breathing machines	Booklets	Dental cups
Cameras	Cast cart	Diapers
Compressor	Cotton balls	Fracture pans
Doppler	Crash carts	Lip balm
Electrosurgical unit	Crutches/Canes	Lotion
External defibrillator	Dietary Supplements	Mouthwash
Fiber optic light	Drapes, all types	Pads
Furniture	Ear temp probes	Paper tissue/Kleenex
Heat lamp	Emesis basins	Powder
Heating pad	Enema set-ups	Shampoo
Imaging Equipment	Gauze	Slippers
Incubator	Gloves, all types	Soap
IV and Infusion Equipment	Gowns, all types	Socks
IV and Infusion pumps	Ice bags	Telephone
Laser Equipment	IV tubing	Television
Respiratory Equipment	Lines, any	Toothpaste
Perfusion Equipment	Oximetry probe	Toothbrush
Restraints, all	Oxygen masks; supplies	Urinal
Reusable Scopes and accessories	Sponge Bowls	Wipes
Specialty beds and mattresses	Staple remover kits	
	Tape	
	Wheelchairs	

D. Non-Routine items examples - This is NOT intended to be an all-inclusive list.

Cardiac	**General**	**Neuro Devices**	**Ortho**	**Stents/Catheter**
Connectors	Blades	Artificial Joints	K-wire	Biliary
Green filters	Bores	Implantable pain pumps	Screws, pins, plates	Coronary
Pacemakers	Dialators	Intra-Aortic Balloons	Urinary	Defibrillators
Stimulators	Guidewires	Transmitters	Vascular	Leads
	Mesh			
	Perfusion/Feeding Tubing			
	Surgical dressings			

IV. Dates Approved or Amended

Originated: 05/13/2025	
Reviewed with Changes	*Reviewed without Changes*

V. Contact Information

Chargemaster
Email: yvdean@utmb.edu