SECTION: **REVENUE CYCLE**

SUBSECTION: **REVENUE INTEGRITY**

SUBJECT: **WASTED IMPLANT CHARGING**

APPROVED BY: _____
Revenue Integrity Manager

POLICY

I. It is Arrowhead Regional Medical Center's (ARMC) policy to appropriately charge wasted implants when the Vendor invoices for the implant and refuses to accept a return. This policy ensures accurate financial practices by capturing all billable implant charges in the Charge Description Master (CDM), as well as in any relevant ancillary information systems and departmental charge forms. By standardizing this process, ARMC can maintain compliance with billing regulations, ensure proper reimbursement, and promote transparency in implant usage and cost management.

II. Implant items that are designated as billable should be billed with the appropriate Current Procedural Terminology (CPT)/ Healthcare Common Procedure Coding System (HCPCS) codes, when appropriate.

III. An item that is deemed non-billable will remain non-billable regardless of which department the item is dispensed in.

PURPOSE

I. The purpose of this policy is to ensure that patient billing for implants is conducted in compliance with the regulations set forth by the Centers for Medicare and Medicaid Services (CMS) and industry standard (e.g., the Uniform Billing (UB) Editor, commercial payers, etc.) regulations. Adhering to these standards helps maintain accurate, consistent, and transparent billing practices, reduces the risk of billing errors, and supports proper reimbursement for services provided. This policy also ensures ARMC meets regulatory requirements, minimizes compliance risks, and upholds financial integrity in patient care billing processes.

PROCEDURES

I. **Billable Status:**

A. The procedure for determining the billable status of a wasted implant involves a thorough assessment to ensure compliance with billing policies. An *implant* refers to a medical device or biological material that is intentionally placed inside or on the body, either permanently or temporarily, to support, restore, or replace a body structure or function. Implants may include devices such as pacemakers, artificial joints, stents, surgical mesh, and prosthetic valves.

B. To classify a wasted implant as billable, the following criteria must be met:

1. The implant is documented appropriately in the patient's medical record.
2. The Vendor must invoice for the implant.
3. At least one of the following scenarios are met:

    a. The implant has been inserted and then removed. The reason for the removal must be clearly documented in the operative report.
    b. The insertion was attempted, but unsuccessful due to complications. The reason for unsuccessful insertion must be documented in the operative report.

C. Wasted implants may not be billed in the following situations:

1. The implant was never in contact with the patient.
2. The implant was opened, contaminated, or the wrong size, but was not used.
3. The implant failed or was defective. In this case, we will not bill the implant but contact the vendor/manufacturer for a refund or replacement.

D. If one or more of the conditions listed above in section B are not satisfied, the wasted implant is considered non-billable and should not be charged to the patient or insurance payer.

II. **Payer reimbursement:**

A. Generally, most payers bundle the payment for implants into the payment for the separately chargeable service. For example, when the hospital charges for an implantable cardioverter-defibrillator along with a charge for the insertion of the cardioverter-defibrillator, the payer reimburses one sum for the insertion, and the implant reimbursement is bundled into that one payment.

Even though the payer bundles the reimbursement for the implant, the charge data is used to set the rates for the separately reimbursed service, and therefore, will charge separately for these implants.

REFERENCES:
Administrative Policy No. 110.48
National Uniform Billing Committee August 2019 NUBC Meeting Minutes - Attachment 3: NUBC Minutes Excerpts related to Implants (Rev Code 0278)
CMS Program Memorandum A-02-129
CMS Medicare Claims Processing Manual, Publication 100-04

DEFINITIONS:
Charge Description Master (CDM): A master listing of all procedures, services, devices, pharmaceuticals, and products with descriptions, required codes and associated charges for inpatient and outpatient services furnished by a healthcare provider.
Current Procedural Terminology (CPT): A code maintained by the American Medical Association for reporting medical services and procedures that contains descriptive terms and comments associated with a specific 5-digit numeric code for use by physicians and other providers, including hospitals. CPT provides a uniform language accurately describing medical, surgical, and diagnostic services.
Healthcare Common Procedure Coding System (HCPCS): A code maintained by Centers for Medicare and Medicaid Services that identifies products and services not included in CPT codes or may replace CPT codes when submitting claims to Medicare.

Centers for Medicare and Medicaid Services (CMS): Federal agency which administers the Medicare, Medicaid, and Child Health Insurance programs.
Uniform Billing (UB) Editor: Book that provides detailed, accurate, and timely information about Medicare and UB-04 form billing rules and assists the user with 5010 data and UB-04 and 837i requirements.

ATTACHMENTS: **N/A**

APPROVAL DATE:	**1/1/2025**	**Ashley Leichliter, Revenue Integrity Manager** Department/Service Director, Manager or Supervisor
	3/26/2025	**Patient Safety and Quality Committee** Applicable Administrator, Hospital or Medical Committee
	3/13/2025	**Arvind Oswal, Chief Financial Officer** Chief Financial **Officer**
	3/14/2025	**Andrew Goldfrach, Chief Executive Officer** Chief **Executive Officer**
	10/21/2025	**Board of Supervisors** Approved by the Governing Body

REPLACES: **N/A**

EFFECTIVE: **1/1/2025**

REVISED: **N/A**

REVIEWED: **N/A**