

Refer to: PB2

April 29, 2003

Robert Medcalf  
Financial Review Services, Inc.  
3150 Peterboro  
Stow, Ohio 44224

Dear Mr. Medcalf:

This responds to your request for confirmation that the Centers for Medicare & Medicaid Services (CMS) Chicago Regional Office agrees with the policy interpretation by the CMS Dallas Regional Office regarding charges reflected on itemized statements versus charges shown on the UB-92 claim form submitted to Medicare for payment.

Providers are responsible for establishing their own charge structures and should bill all third-party payers accordingly. CMS does not dictate what is included on a hospital's itemized statement. However, hospitals are required to follow appropriate billing guidelines for the UB-92 format. Hospitals can list services such as surgical instruments, surgery packs and supplies separately on the itemized statement but these items should be rolled up and reported under the appropriate revenue code on the UB-92 according to billing guidelines.

You specifically requested clarification on pre-operative services that are provided in a pre-op holding area. Again, Medicare does not prescribe how these charges appear on the itemized statement. These charges should be reported on the UB-92 under the revenue code that is appropriate for the type of service provided.

I hope that this addresses your concerns. If you have any further questions, please contact me at (312) 886-3642 or via e-mail at [cdavidson@cms.hhs.gov](mailto:cdavidson@cms.hhs.gov).

Sincerely,  
Christine Davidson  
Health Insurance Specialist

**Division of Medicare Operations**

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REFER TO:  
DMO:CO  
2.435

August 21, 2003

Mr. Michael P. Lewis  
4295 San Felipe, Suite 250  
Houston, Texas 77027-2924

Dear Mr. Lewis:

This is in response to your e-mail inquiry, whereby, you are requesting the Centers for Medicare & Medicaid Services, (CMS) Kansas City Regional Office, to concur with the Dallas, Atlanta, and Chicago Regional CMS Offices regarding Medicare's policy about how a hospital bills its charges. Your e-mail contained attachments of letters written by the Dallas, Atlanta, and Chicago Regional CMS Offices. We have reviewed their written responses and concur with their policy interpretation regarding hospital charges reflected on itemized statements versus charges shown on the UB-92 claim form submitted for Medicare payment.

Medicare requires hospitals to follow the UB-92 billing instructions. Charges are to be reported on the UB-92 form under the revenue code that is appropriate for the type of service provided. Medicare does not have any requirements about how charges are to appear on an itemized statement. However, upon a beneficiary's request, Medicare does require the provider to be able to furnish an itemized statement for any Medicare item or service provided to that beneficiary. Please refer to the Medicare Hospital Manual, Section 191.5. A copy of the Medicare Hospital Manual Transmittal 755, issued on May 18, 2000, concerning this manual section, is enclosed for your review.

I hope this additional letter from the Kansas City Regional CMS Office is helpful to you. If you have further questions or concerns about this issue, please contact Claudia Odgers, a member of my staff at 816-426-6524.

Sincerely yours,

  
Nanette Foster Reilly  
Associate Regional Administrator  
Division of Medicare Operations

Enclosure



Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite. 4T20  
Atlanta, Georgia 30303-8909  
(404) 562-7242



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June 10, 2003

Mr. Bob Medcalf  
Financial Review Services  
3150 Peterboro Dr.  
Stow, OH 44224

Re: Concurrence with the CMS Dallas and Chicago RO letters on Billing vs. Charging

Dear Mr. Medcalf:

This is in follow-up to your may 12, 2003 email in which you asked the Centers for Medicare & Medicaid Services (CMS) Atlanta regional office to be more explicit in confirming responses you received from the Dallas and Chicago Regional offices on charges reflected on the UB-92 versus charges on itemized statements. I concur with the language in the letters from Paula Hammond-McNatt in the Dallas Regional Office and Christine Davidson from the Chicago Regional Office.

Again, it is within the purview of the provider to establish its own charge structure and one would expect that the provider bill all insurers according to its charge structure. CMS does not dictate or regulate what is included on the hospital's itemized statement. CMS would expect the charges to be valid and records available to support what is billed to the Medicare program. The charges should be reported on the UB-92 under the appropriate revenue code.

If you should have any other questions please let me know. I can be reached at (404) 562-7374 or email [mtaylor5@cms.hhs.gov](mailto:mtaylor5@cms.hhs.gov).

Sincerely,

/s/

Mike Taylor  
Health Insurance Specialist  
Division of Medicare Operations

cc: Paula Hammond McNatt