

How Medical Supplies and Ambulance Rides Are Billed

Medical supplies and equipment, such as bandages and wheelchairs, and ambulance rides are often listed separately on bills and Explanation of Benefits (EOB) forms. They use a standard code called HCPCS. (It stands for Healthcare Common Procedure Coding System. Sometimes it's pronounced "hick-picks.") Each HCPCS code stands for a specific item, and helps your insurer understand what supplies and equipment you received.

A HCPCS code starts with a letter, followed by four numbers. A two-digit code modifier may follow, giving your insurer more information. Some HCPCS codes are billed by a physician, durable medical equipment company or other provider. Others are billed through a facility, such as a hospital or ambulatory surgery center.

Understanding HCPCS codes can help you plan your costs when you need care. Before you get an elective procedure, like knee surgery:

- Talk to your doctor and ask what supplies you will need during and after the procedure. Ask which HCPCS codes will apply.
- Use FH[®] Medical Cost Lookup to get a sense of how much these supplies, identified by their HCPCS codes, usually cost in your area.
- Then, to find out what will be covered, look at your plan description or ask your insurer.
- Are some supplies not covered, or are you going outside your network for care? If so, ask your doctor about lower-cost choices, like renting equipment instead of buying it.

After your procedure, review the codes on your bills and EOBs. If you find that a code is wrong, ask the provider to fix the error. Then, resubmit the claim to your insurer.

What are HCPCS codes?

Each HCPCS code represents a specific item, and helps insurers to understand what medical supplies or equipment you received. Providers include these codes when they submit claims to your insurer. Then, your insurer generally uses the code to determine how much to pay. HCPCS codes can show items like:

- Injected drugs
- Wheelchairs, braces or other medical equipment
- Supplies such as gloves, needles, syringes and gauze
- Ambulance transportation
- Glasses or hearing aids

There are thousands of HCPCS codes. You can recognize a HCPCS code on your bill or Explanation of Benefits form because it starts with a letter, followed by four numbers (for example, Q2035 for a flu vaccine, or E0110 for a pair of crutches). If your doctor bandaged a wound, there will be a HCPCS code for the cost of the bandage. Like CPT codes, a HCPCS

code will sometimes be followed by two extra letters or numbers. This is a “modifier” that gives the insurer more information. For example, if your doctor applied a dressing to multiple wounds, there may be a modifier after the code to tell your insurer how many wounds were bandaged. If you received diabetic supplies, there might be a modifier after the code to tell your insurer whether the supplies were ordered and received from a drug store or a mail-order supplier. For more information on modifiers, see Code Modifiers: How They Affect You.

Some HCPCS codes are billed by a physician, durable medical equipment company or other provider. Examples of such codes include oxygen-related equipment and vaccine administration. Other HCPCS codes are billed through a facility, such as a hospital or ambulatory surgery center. Examples of facility-billed codes include cancer screening, chemotherapy drugs, dialysis and magnetic resonance imaging (MRI).

How Can I Use HCPCS Codes?

Understanding HCPCS codes can help you plan your costs when you need care. Some costs are unavoidable, like bandages and surgical supplies. But if you are having an elective procedure, like knee surgery, first ask your doctor what supplies and equipment you will need after the surgery. Then, check your health plan description or talk to your insurer about what is covered. Will your plan pay for a knee brace, and crutches? Are there certain types of supplies you will need, and will you need to get them from a specific company?

If your plan doesn't cover some equipment, or if you are using a provider outside your network, you can ask your doctor about ways to lower your costs. It may be less expensive to rent a breast pump than to buy one, for example. You also can check the FH Medical Cost Lookup to find out what these supplies typically cost in your area.

After you get care, it's good practice to look at all the codes listed on your bill or claim form. Remember, doctors, hospitals, ambulatory surgical centers, pharmacies and medical equipment providers, and insurers can make mistakes. You don't need to be a claims specialist. Just a basic understanding of how these codes work can help you ask the right questions. If you see a code that is wrong – like a charge for a flu shot that you didn't receive – ask your provider to correct it and send an adjusted claim to your insurer.

If you used an out-of-network provider and the costs seem high, you also can use the FH Medical Cost Lookup or FH Dental Cost Lookup. If your doctor, facility, or durable medical equipment provider charged much more than the usual cost in your area, you can try to negotiate a lower price.

Your Action Plan: Getting the Whole Picture

Before you go:

- If you're having an elective procedure, talk to your doctor first and ask what supplies you will need during and after the procedure. Then, to find out what will be covered, look at your plan description or ask your insurer.
- If some supplies aren't covered, or if you go out of your network for care, ask your doctor about lower-cost options, like renting equipment instead of buying it.

- Use the FH Medical Cost Lookup to get an idea of how much these supplies usually cost in your area.

After you go:

- Review the codes on the bills, claims form, and explanation of benefits (EOB) from your doctor, facility, and durable medical equipment provider. If you find that a code is wrong, ask the provider to correct the error and resubmit the claim to your insurer.
- Most importantly – ask questions! Speaking up can help clear up confusion about how much you may owe.