Payment Policy: Pulse Oximetry with Evaluation & Management Services

Reference Number: LA.PP.025
Effective Date: 08/2020
Date of Last Revision: 06/2024

Coding Implications
Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Policy Overview
The purpose of this policy is to define payment criteria for pulse oximetry testing when billed separately from an office visit.

Pulse oximetry testing involves application of an electronic oximetry device, typically attached to the finger or ear. The device monitors the amount of oxygen bound to hemoglobin in the bloodstream. The results are provided as a percentage of the maximum binding capacity of oxygen to hemoglobin. A normal oxygen saturation level is between 95-100 percent. The electronic oximetry device may also provide a readout of a patient's pulse rate.

Application
This policy applies to Professional Claims.

Policy Description

Reimbursement
Louisiana Healthcare Connections will deny pulse oximetry when billed with an evaluation and management service when billed on the same date by the same provider.

When pulse oximetry is billed with an office visit, pulse oximetry will be denied and bundled into the evaluation and management service. Pulse oximetry represents a fundamental component of the assessment services provided to a patient during a procedure and therefore is not separately reimbursable.

Utilization
Rationale for Edit
According to the Centers for Medicare and Medicaid Services (CMS) NCCI Policy Manual (2025),

> *Many procedures require cardiopulmonary monitoring either by the physician performing the procedure or an anesthesia practitioner. Since these services are integral to the procedure, they are not separately reportable (p. I-14).*

CMS assigns CPT codes 94760 and 94761 (noninvasive ear or pulse oximetry) to a status indicator of "T" in the National Physician Fee Schedule Relative Value File (RVU). Status T procedures are only paid if there are no other services paid under the physician's fee schedule billed on the same date by the same provider.

If any other services payable under the physician fee schedule are billed on the same date, by the same provider, these services are bundled into the physician services for which payment is made.

References

1. *Current Procedural Terminology (CPT®)*, 2025
2. Centers for Medicare and Medicaid Services, Physician Fee Schedule, Relative Value File 2025
   https://www.cms.gov/medicare/payment/fee-schedules/physician/pfs-relative-value-files
3. *Centers for Medicare and Medicaid Services, National Correct Coding Initiative Policy Manual, Chapter I, General Correct Coding Policies, 2025*
   https://www.cms.gov/files/document/2025nccimedicarepolicymanualcompletepdf.pdf

Revision History	Revision Date	Approval Date	Effective Date
Converted corporate to local policy.	08/15/20		
Annual Review; Updated dates in the reference section from 2018 to 2021 Removed clinical and added payment policy in "Important Reminder" section	08/29/22		
Annual Review; code table removed to eliminate redundancy. Changed members to members/enrollees.	7/19/23	9/25/23	10/25/23
Annual review; dates updated, references reviewed, and links added for the references. Did not send to LDH due to non material revisions.	6/24	6/25/24	8/5/24
Annual review; references reviewed and dates updated	05/25	6/10/25	

Important Reminder

This clinical policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this clinical policy; and other available clinical information. LHCC makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this clinical policy. This clinical policy is consistent with standards of medical practice current at the time that this clinical policy was approved.

The purpose of this clinical policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable LHCC administrative policies and procedures.

This payment policy is effective as of the date determined by LHCC. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. LHCC retains the right to change, amend or withdraw this payment policy, and additional payment policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members/enrollees. This payment policy is not intended to recommend treatment for members/enrollees. Members/enrollees should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this clinical policy are independent contractors who exercise independent judgment and over whom LHCC has no control or right of control. Providers are not agents or employees of LHCC.

This payment policy is the property of LHCC. Unauthorized copying, use, and distribution of this payment policy or any information contained herein are strictly prohibited. Providers, members/enrollees and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members/enrollees and their representatives agree to be bound by such terms and conditions by providing services to members/enrollees and/or submitting claims for payment for such services.