

CHAMPVA POLICY MANUAL

CHAPTER: 3
SECTION: 5.3
TITLE: **REBUNDLING OF PROCEDURE CODES**

AUTHORITY: 38 CFR 17.270(a) and 17.272(a)

RELATED AUTHORITY: 32 CFR 199.9

I. EFFECTIVE DATE

January 15, 1996

II. DEFINITIONS

Fragmentation or unbundling is the separate reporting of component parts of a procedure instead of reporting a single code that includes all services integral to accomplishing the entire comprehensive procedure. Coding manipulations such as “fragmenting the bill” or “unbundling” are often used to inappropriately increase claim reimbursements. It encompasses surgery, pathology and laboratory charges, radiology and medical services.

III. POLICY

A. **Rebundling.** The allowable charge determination will be based upon the single comprehensive code that includes all services integral to that procedure. Separate billing of the component parts of the comprehensive procedure would be inappropriate based on standard medical and surgical principles and will be denied.

Example:

Comprehensive Billing

58120 -- Dilation & curettage
(D&C)

Fragmentation/Unbundled Billing

57410 - Pelvic examination under
anesthesia

Plus

57505 - Endocervical curettage

Plus

58120 - Dilation & curettage
(D&C)

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TRICARE CHANGE #: N/A

Note: In the above example, only procedure code 58120 would be allowed. Procedure codes 57410 and 57505 would be denied, as they are already included in the comprehensive procedure code 58120.

B. Allowable Charge Determination. Claims that have separate component parts that are rebundled under a comprehensive procedure code are reimbursed at the CHAMPVA maximum allowable charge.

C. Improper Billing Practice. Providers with a pattern of billing fragmented claims shall be advised that such practice represents improper billing practices. Fragmentation/unbundling or other "code gaming" practices used to increase reimbursement are improper billing practices and a misrepresentation of the services rendered. Such practices may be considered fraudulent and may result in criminal or civil penalties.

END OF POLICY