

New payment policy – Z7514 Observation

Blue Shield of California Promise Health Plan (Blue Shield Promise) has established a new payment policy for Z7514 Observation. The policy limits reimbursement for Z7514 observation services to a maximum of two units and 48 hours. This follows coding guidelines provided by the Department of Health Care Services (DHCS).

Effective May 15, 2026, these guidelines will be enforced by Blue Shield Promise and claims submitted for Z7514 will not be reimbursed beyond two units or 48 hours.

The Z7514 Observation payment policy has been posted in its entirety on the *Blue Shield Promise payment policies* page of the Blue Shield Provider Connection website (see link below).

Should you have any questions about the Z7514 Observation billing requirements, please contact our Blue Shield Promise Provider Customer Service team at (800) 468-9935 from 6 a.m. to 6:30 p.m., Monday through Friday.

Resources

[Blue Shield Promise Z7514 Observation Payment Policy](#) (login required)

[DHCS Medi-Cal Policy: Maximum Reimbursement for Outpatient Room Rates](#)