



PROVIDER REIMBURSEMENT GUIDANCE

Oxygen Payment Policy

Original Date Approved	Effective Date Senior Care Options/One Care	Effective Date Medicare Advantage*	Revision Date
02/10/2022	04/01/2022	04/01/2022	06/30/2022
<p>Scope: Commonwealth Care Alliance (CCA) Product Lines</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Senior Care Options MA <input checked="" type="checkbox"/> One Care MA <input checked="" type="checkbox"/> CCA Medicare Preferred – (PPO) MA* <input checked="" type="checkbox"/> CCA Medicare Value - (PPO) MA* <input checked="" type="checkbox"/> CCA Medicare Preferred – (PPO) RI* <input checked="" type="checkbox"/> CCA Medicare Value - (PPO) RI* <input checked="" type="checkbox"/> Medicare Maximum – (HMO DNSP) RI* 			

PAYMENT POLICY SUMMARY:

According to the Centers for Medicare and Medicaid Services (CMS), coverage of home oxygen and oxygen equipment under the durable medical equipment (DME) benefit of the Social Security Act is considered reasonable and necessary only for patients with significant hypoxemia who meet the medical documentation, laboratory evidence, and health conditions specified in this policy. In addition, oxygen equipment is always rented in a five-year cycle and there is never an option to purchase it.

AUTHORIZATION REQUIREMENTS:

Applicable CCA notification and authorization policies and procedures may apply. For more information on prior authorizations, please refer to the Prior Authorization Requirements in the plan specific Provider Manual.

Any post-service appeal regarding lack of Prior Authorization will follow the same guidelines. If you feel that you received an inappropriate denial, please submit appropriate documentation via the Request for Claim Review form. Guidance on submitting an appeal can be located in the CCA Provider Manual.

***NOTE:** links to forms and provider manual mentioned above can be found in the References Section below.

REIMBURSEMENT GUIDELINES:

Oxygen Equipment: Reimbursement for oxygen equipment is limited to 36 monthly rental payments. Oxygen reimbursement is a bundled payment, all options, supplies, and accessories are considered included in the monthly rental payment for oxygen equipment. Payment for oxygen contents (stationary and/or portable) is included in the allowance for stationary equipment (E0424, E0439, E1390, E1391).

It is the responsibility of the Provider to disclose to CCA all previous payment months made for oxygen by another Payor and obtain authorization for the remaining cap rental months.

Oxygen rental is billed using the appropriate code for the provided oxygen equipment. Separately billed options, accessories or supply items will be denied as unbundled.

Oxygen services furnished by an airline to a beneficiary are noncovered. Payment for oxygen furnished by an airline is the responsibility of the beneficiary and not the responsibility of the supplier.

REIMBURSEMENT GUIDELINES (cont.):

CCA does not cover items or services provided/used outside the United States and its territories. The supplier is not required to provide or arrange for oxygen use in those situations.

***NOTE:** CCA reserves the right to switch or change oxygen supplies or vendor without advanced notice should CCA become aware of an interruption in supply or potential mechanical, workmanship, or other safety concern with the equipment supplied in question.

Timeline: Initial 36 months

The supplier who provides oxygen equipment for the first month must continue to provide any necessary oxygen equipment and all related items and services through the 36-month rental period, unless one of the following exceptions is met:

- Beneficiary relocates temporarily or permanently out of supplier's service area
- Beneficiary elects to obtain oxygen from a different supplier

The Provider is responsible for verifying if oxygen equipment is already in the home to avoid duplicate services.

Providing different oxygen equipment/modalities (e.g., concentrator [stationary or portable], gaseous, liquid, trans-filling equipment) is not permitted unless one of the following requirements is met:

- Supplier replaces the equipment with the same or equivalent item
- CCA will provide the least costly item to meet the members' needs consistent with the DME policy
- Treating practitioner's orders different equipment
- Beneficiary chooses to receive an upgrade and signs an Advance Beneficiary Notice (ABN) of Non-coverage

A new 36-month rental period can begin only in the following situations:

- Specific incident of damage beyond repair (e.g., dropped and broken, fire, flood, etc.) or the item is stolen or lost
- Break-in-need for at least 60 days plus the days remaining in the month of discontinuation and new medical necessity is established (see "BREAK-IN-SERVICE" below)

Unless otherwise authorized, the member shall receive only one set of O₂ equipment. Duplicate systems shall be considered convenience items and are not covered. Consultation with the UM team/clinical team is necessary.

A new 36-month rental period does not start in the following situations:

- Replacing equipment due to malfunction, wear and tear, routine maintenance, repair
- Providing different equipment based on a treating practitioner order or beneficiary request for an upgrade
- Break-in-need less than 60 days plus the days remaining in the month of discontinuation
- Changing suppliers

REIMBURSEMENT GUIDELINES (cont.):

Timeline: Months 37-60

There is no further payment for oxygen equipment during the 5-year reasonable useful lifetime (RUL) of the equipment after 36 rental payments have been made. If use of portable equipment (E0431, E0433, E0434, E1392, K0738) begins after the use of stationary equipment begins, payment for the portable equipment can continue after payment for the stationary equipment ends until 36 rental payments have been made for the portable equipment.

The supplier who provided the equipment during the 36th rental month is required to continue to provide the equipment, accessories, contents (if applicable), maintenance, and repair of the oxygen equipment during the 5-year reasonable useful lifetime of the equipment.

Rules for providing different equipment/modalities are the same in months 37-60 as they are in the initial 36 months (see above).

A new 36-month rental period can begin only in the following situation:

- There is a specific incident of damage beyond repair (e.g., dropped and broken, fire, flood, etc.) or the item is stolen or lost

Timeline: Months 61 and after

At any time after the end of the 5-year reasonable useful lifetime for oxygen equipment, the beneficiary may elect to receive new equipment, thus beginning a new 36-month rental period.

If the beneficiary elects not to receive new equipment after the end of the 5-year reasonable useful lifetime and if the supplier retains title to the equipment, all elements of the payment policy for months 37-60 remain in effect.

There is no separate payment for accessories or repairs. If the beneficiary was using gaseous or liquid oxygen equipment during the 36th rental month, payment can continue to be made for oxygen contents.

If the beneficiary elects not to receive new equipment after the end of the 5-year reasonable useful lifetime and if the supplier transfers title of the equipment to the beneficiary, accessories, maintenance, and repairs are non-covered unless otherwise approved by CCA.

Contents are separately payable for member-owned gaseous or liquid systems.

If a beneficiary enters Medicare FFS with beneficiary-owned equipment, accessories, maintenance, and repairs are statutorily non-covered by Medicare. Contents are separately payable for beneficiary-owned gaseous or liquid systems.

Medical Documentation

A valid prescription must be submitted at the time of authorization.

A physician's certification of medical necessity for oxygen equipment must include the results of specific testing before coverage can be determined.

BILLING and CODING GUIDELINES:

Portable Oxygen Systems: A portable oxygen system is covered if the beneficiary is mobile within the home and the qualifying blood gas study was performed while awake and at rest or during exercise. If the only qualifying blood gas study was performed during sleep, portable oxygen will be denied as not reasonable and necessary.

If coverage criteria are met, a portable oxygen system is typically separately payable in addition to the stationary system.

If a portable oxygen system is covered, the supplier must provide whatever quantity of oxygen the beneficiary uses; **CCA Medicare Advantage reimbursement is the same, regardless of the quantity of oxygen dispensed.**

Emergency or stand-by oxygen systems for beneficiaries who are not regularly (define threshold?) using oxygen will be denied as not reasonable and necessary; oxygen will be considered precautionary and not therapeutic in nature.

Liter Flow Greater Than 4 LPM: If basic oxygen coverage criteria have been met, a higher allowance for a stationary system for a flow rate of greater than 4 liters per minute (LPM) will be paid only if a blood gas study performed while the beneficiary is on 4 or more LPM meets Group I or II criteria. If a flow rate greater than 4 LPM is billed and the coverage criterion for the higher allowance is not met, payment will be limited to the standard fee schedule allowance. If a beneficiary qualifies for additional payment for greater than 4 LPM of oxygen and also meets the requirements for portable oxygen, the appropriate modifiers (QB or QF) must be used.

Refills of Oxygen Contents: For Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) that are provided on a recurring basis, billing must be based on prospective, not retrospective use. Oxygen contents are reimbursed with a monthly allowance covering all contents necessary for the month. Supply allowances are not subject to the refill monitoring and documentation requirements specified by Medicare Program Integrity Manual section 5.2.6. All other supplies, e.g., tubing, masks, or cannulas, etc., are included in the monthly rental payment. Supplies that are not separately payable are not subject to the refill monitoring and documentation requirements specified by Medicare Program Integrity Manual section 5.2.6.

Replacement Equipment: The initial Date should be the date that the replacement equipment is initially needed which is generally understood to be the date of delivery of the oxygen equipment.

The Recertification Date should be 12 months following the Initial Date when the value on the Initial CMN (Certificate of Medical Necessity) (for the replacement equipment) meets Group I criteria or 3 months following the Initial Date when the qualifying blood gas value on the Initial CMN meets the Group II criteria. (Note: The Initial Date [for the replacement equipment] should also be entered on the Recertification CMN.) Claims for the initial rental month (and only the initial rental month) must have the RA modifier (Replacement of DME item) added to the HCPCS (Healthcare Common Procedure Coding System) code for the equipment when there is replacement due to reasonable useful lifetime or replacement due to damage, theft, or loss. Claims for the initial rental month must include a narrative explanation of the reason why the equipment was replaced and supporting documentation must be maintained in the supplier's files.

BILLING and CODING GUIDELINES (cont.):

Code E1391 (Oxygen concentrator, dual delivery port) is used in situations in which two beneficiaries are both using the same concentrator. In this situation, this code should only be billed for one of the beneficiaries.

Codes E1405 and E1406 (oxygen and water vapor enriching systems) may only be used for products for which a written coding verification has been received from the PDAC.

Code E1392 describes an oxygen concentrator which is designed to be portable, is capable of delivering 85% or greater oxygen concentration, and can operate on either AC or DC (e.g., auto accessory outlet) power.

Code E1392 includes the device itself, an integrated battery or beneficiary-replaceable batteries that are capable of providing at least 2 hours of remote portability at a minimum of 2 LPM equivalency, a battery charger, an AC power adapter, a DC power adapter, and a carry bag and/or cart. The combined weight of the concentrator and the battery/batteries capable of 2 hours of portability must be 20 pounds or less. Note, if a concentrator meets all of these criteria and is also capable of functioning as a stationary concentrator, operating 24 hours per day, 7 days per week, the stationary concentrator code (E1390) is billed in addition to code E1392.

Code K0738 describes a feature of an oxygen concentrator that allows the beneficiary to fill portable gaseous oxygen cylinders from a stationary concentrator. This feature may be integrated into the stationary concentrator or be a separate component. When code K0738 is billed, code E0431 (portable gaseous oxygen system, rental) must not be used.

Code E0433 describes a feature of an oxygen concentrator that allows the beneficiary to fill portable liquid oxygen cylinders from a stationary concentrator. This feature may be integrated into the stationary concentrator or be a separate component. When code E0433 is billed, code E0434 (portable liquid oxygen system, rental) must not be used.

Code E1352 (Oxygen Accessory, Flow Regulator Capable of Positive Inspiratory Pressure) provides positive pressure inspiratory support for patients using oxygen. This product consists of multiple components - control unit, flow regulator, connecting hose and nasal interface (pillows). E1352 is an all-inclusive code for this product that contains all elements.

BILLING and CODING GUIDELINES (cont.):

Applicable Codes

The following list(s) of codes is provided for reference purposes only and may not be all inclusive. Listing of a code in this guideline does not imply that the service described by the code is a covered or non-covered health service. Benefit coverage for health services is determined by the member specific benefit plan document and applicable laws that may require coverage for a specific service. The inclusion of a code does not indicate any right to reimbursement or guarantee claim payment.

HCPCS Code	Description
E0424	Stationary compressed gaseous oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing
E0425	Stationary compressed gas system, purchase; includes regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing (Not covered by Medicare)
E0430	Portable gaseous oxygen system, purchase; includes regulator, flowmeter, humidifier, cannula or mask, and tubing (Not covered by Medicare)
E0431	Portable gaseous oxygen system, rental; includes portable container, regulator, flowmeter, humidifier, cannula or mask, and tubing
E0433	Portable liquid oxygen system, rental; home liquefier used to fill portable liquid oxygen containers, includes portable containers, regulator, flowmeter, humidifier, cannula or mask and tubing, with or without supply reservoir and contents gauge
E0434	Portable liquid oxygen system, rental; includes portable container, supply reservoir, humidifier, flowmeter, refill adaptor, contents gauge, cannula or mask, and tubing
E0435	Portable liquid oxygen system, purchase; includes portable container, supply reservoir, flowmeter, humidifier, contents gauge, cannula, or mask, tubing, and refill adaptor (Not covered by Medicare)
E0439	Stationary liquid oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula, or mask, & tubing
E0440	Stationary liquid oxygen system, purchase; includes use of reservoir, contents indicator, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing (Not covered by Medicare)
E0441	Stationary oxygen contents, gaseous, 1 month's supply = 1 unit
E0442	Stationary oxygen contents, liquid, 1 month's supply = 1 unit
E0443	Portable oxygen contents, gaseous, 1 month's supply = 1 unit
E0444	Portable oxygen contents, liquid, 1 month's supply = 1 unit
E0445	Oximeter device for measuring blood oxygen levels noninvasively
E0446	Topical oxygen delivery system, not otherwise specified, includes all supplies and accessories (Not covered by Medicare)
E0447	Portable oxygen contents, liquid, 1 month's supply = 1-unit, prescribed amount at rest or nighttime exceeds 4 liters per minute (LPM) (Effective 01/01/2019)
E1390	Oxygen concentrator, single delivery port, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate

BILLING and CODING GUIDELINES (cont.):

Applicable Codes continued:

HCPCS Code	Description
E1391	Oxygen concentrator, dual delivery port, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate, each
E1392	Portable oxygen concentrator, rental
E1405	Oxygen and water vapor enriching system with heated delivery
E1406	Oxygen and water vapor enriching system without heated delivery
K0738	Portable gaseous oxygen system, rental; home compressor used to fill portable oxygen cylinders; includes portable containers, regulator, flowmeter, humidifier, cannula or mask, and tubing
Accessories	
A4606	Oxygen probe for use with oximeter device, replacement
A4608	Transtracheal oxygen catheter, each
A4615	Cannula, nasal
A4616	Tubing (oxygen), per foot
A4617	Mouthpiece
A4619	Face tent
A4620	Variable concentration mask
A7525	Tracheostomy mask, each
A9900	Miscellaneous DME supply, accessory, and/or service component of another HCPCS code
E0455	Oxygen tent, excluding croup or pediatric tents
E0555	Humidifier, durable, glass or autoclavable plastic bottle type, for use with regulator or flowmeter
E0580	Nebulizer, durable, glass or autoclavable plastic, bottle type, for use with regulator or flowmeter
E1352	Oxygen accessory, flow regulator capable of positive inspiratory pressure
E1353	Regulator
E1354	Oxygen accessory, wheeled cart for portable cylinder or portable concentrator, any type, replacement only, each
E1355	Stand/rack
E1356	Oxygen accessory, battery pack/cartridge for portable concentrator, any type, replacement only, each
E1357	Oxygen accessory, battery charger for portable concentrator, any type, replacement only, each
E1358	Oxygen accessory, dc power adapter for portable concentrator, any type, replacement only, each (Not Covered by Medicare)
Modifier	Description
QH	Oxygen conserving device is being used with an oxygen delivery system
RA	Replacement of a DME item
RR	Rental (use the RR modifier when DME is to be rented)



RELATED SERVICE POLICIES:

Durable Medical Equipment

AUDIT and DISCLAIMER:

As every claim is unique, the use of this policy is neither a guarantee of payment nor a final prediction of how specific claim(s) will be adjudicated. Please refer to CPT/HCPCS for complete and updated list of codes. Claims payment is subject to member eligibility and benefits on the date of service, coordination of benefits, referral/authorization, and utilization management guidelines when applicable and adherence to plan policies, procedures, and claims editing logic. CCA has the right to conduct audits on any provider and/or facility to ensure compliance with the guidelines stated in this payment policy. If such an audit determines that your office/facility did not comply with this payment policy, CCA has the right to expect your office/facility to refund all payments related to non-compliance.

REFERENCES:

[CCA Website](#)

[CMS Website](#)

American Medical Association (AMA) Current Procedural Terminology (CPT)

CMS National Coverage Determinations (NCDs) NCD 240.2 Home Use of Oxygen

Medicare Claims Processing Manual – Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Medicare Benefit Policy Manual 100-04 Chapter 15 30.6.6

Payment Policies: [Massachusetts](#) / [Rhode Island](#)

Provider Manuals: [Massachusetts](#) / [Rhode Island](#)

Prior Authorization Forms: [Massachusetts](#) / [Rhode Island](#)

POLICY TIMELINE DETAILS:

1. Effective: 02/10/2022
2. Revision: November 2021, added Medicare Advantage Part D (MAPD)
3. Revision: June 2022, updated formatting