

# Oxygen and Oxygen Equipment Payment Policy

## Policy

### Commercial and Medicare

This payment policy applies to reimbursement for oxygen and oxygen equipment for commercial and Medicare plan members (Fallon Medicare Plus, NaviCare and PACE).

The Plan follows Centers for Medicare & Medicaid Services (CMS) regulations and subregulatory guidance for reimbursement for oxygen and oxygen equipment for commercial and Medicare plan members. Reimbursement for oxygen equipment is limited to 36 monthly rental payments. Payment for oxygen equipment, oxygen contents (stationary and/or portable), oxygen supplies and accessories, delivery, back-up equipment, maintenance and repairs is included in the monthly rental allowance.

The DME Medicare Administrative Contractor (DME MAC) with jurisdiction over the Plan's service area is Noridian Healthcare Solutions, LLC. Noridian's Local Coverage Determination (LCD) for Oxygen and Oxygen Equipment and Local Coverage Article for Oxygen and Oxygen Equipment are the sources for following payment information along with other Medicare subregulatory guidance.

### Links

LCD: [Oxygen and Oxygen Equipment L33797](#)

LCA: [Oxygen and Oxygen Equipment - Policy Article A52514](#)

### MassHealth ACO

For MassHealth ACO members, the Plan follows MassHealth Oxygen and Respiratory Therapy Equipment Provider Regulations (130 CMR 427.00<sup>1</sup>) for reimbursement for oxygen and oxygen equipment. Consistent with MassHealth, the Plan reimburses service codes listed in Section 602 of Subchapter 6 of the Oxygen and Respiratory Therapy Equipment Manual<sup>2</sup>, subject to the terms and limitations found in 130 CMR 427.00 and the MassHealth DME and Oxygen Payment and Coverage Guidelines Tool.<sup>3</sup>

The terms of a provider contract may supercede the content of this policy.

## Definitions

**Reasonable useful lifetime (RUL)** - The RUL for oxygen equipment is 5 years. The RUL is not based on the chronological age of the equipment. The RUL starts on the initial date of service and runs for 5 years from that date. Stationary and portable oxygen equipment is often provided at the same time therefore the RUL for both items run concurrently. When the RUL of a member's portable oxygen equipment differs from the RUL of the member's stationary oxygen equipment, the RUL of the stationary oxygen equipment governs the application of RUL-based rules and processes for both types, stationary and portable, of oxygen equipment.

1. If the end date of the RUL of the portable oxygen equipment precedes the end date of the RUL of the stationary oxygen equipment, the end date of the RUL of the portable oxygen

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<sup>1</sup> Oxygen and Respiratory Therapy Equipment Manual for MassHealth Providers, available at: <https://www.mass.gov/lists/masshealth-provider-manuals>.

<sup>2</sup> Oxygen and Respiratory Therapy Equipment Manual for MassHealth Providers, available at: <https://www.mass.gov/lists/masshealth-provider-manuals>.

<sup>3</sup> MassHealth Payment and Coverage Guidelines Tools, available at: <https://www.mass.gov/info-details/masshealth-payment-and-coverage-guideline-tools>.

equipment is adjusted (extended) to coincide with the end date of the RUL of the stationary oxygen equipment.

2. If the end date of the RUL of the portable oxygen equipment follows the end date of the RUL of the stationary oxygen equipment, the end date of the RUL of the portable oxygen equipment is adjusted (shortened) to coincide with the end date of the RUL of the stationary oxygen equipment.

Until such time as the end date of the RUL of the stationary oxygen equipment is reached, the supplier must continue to furnish both the portable and stationary oxygen equipment.

When the end date of the RUL of the stationary oxygen equipment occurs, the member may elect to obtain replacement of both the stationary and the portable oxygen equipment.

If the plan member elects to obtain replacement of the stationary and the portable oxygen equipment, both types of oxygen equipment must be replaced at the same time.

When the stationary and the portable oxygen equipment are replaced, a new 36-month rental period and new RUL is started for both the replacement stationary oxygen equipment and the replacement portable oxygen equipment. (*Source: A52514*).

#### Break in service –

- Break in billing without break in medical necessity - If a member enters a hospital or SNF and continues to need/use oxygen, when member returns home, payment resumes where it left off.
- Break-in-medical necessity (break in need) -
  - If need/use of oxygen ends for less than 60 days plus the remainder of the rental month of discontinuation and then resumes, payment resumes where it left off.
  - During the 36-month rental period, if need/use of oxygen ends for more than 60 days plus the remainder of the rental month of discontinuation and new medical necessity is established, a new 36-month rental period would begin.
  - During months 37-60, if need/use of oxygen ends for more than 60 days plus the remainder of the rental month of discontinuation and new medical necessity is established, a new rental period does not begin (*Source: A52514*).

## **Reimbursement**

Oxygen and oxygen equipment are covered under the durable medical equipment (DME) benefit. The plan member may be responsible for cost-sharing (i.e., copayments, deductibles and/or coinsurance) oxygen, oxygen equipment and related items and services that are reimbursed by the Plan on behalf of the plan member.

The following items and services are not covered or reimbursed:

- Only rented oxygen equipment is eligible for coverage. Purchased oxygen equipment is non-covered.
- Payment is not allowed for supplier pickup or disposal of oxygen tanks or cylinders.
- Accessories used with member-owned oxygen equipment will be denied as not covered (LCD L33797).
- Oxygen services furnished by an airline to a plan member. Payment for oxygen furnished by an airline is the responsibility of the plan member and not the Plan or the oxygen supplier.
- Topical hyperbaric oxygen chambers (A4575).
- Topical oxygen delivery systems (E0446).
- Oxygen accessories and supplies, maintenance and servicing or repairs of oxygen equipment owned by a plan member.
- In the case of all oxygen equipment, the supplier is responsible for performing any repair that is necessary to ensure that the equipment is in good working order for the reasonable useful lifetime of the equipment. Repairs of supplier-owned equipment is not covered. This includes parts that must be replaced in order for the supplier-owned equipment to continue to function

appropriately and loaner equipment furnished during periods when these repairs are performed.

### **Months 1-36**

Stationary oxygen equipment – When coverage criteria for stationary oxygen equipment (concentrators and stationary gaseous or liquid equipment) are met, the Plan reimburses stationary oxygen equipment (E0424, E0439, E1390 or E1391) on a rental basis for 36 continuous months.

The monthly payment for stationary oxygen equipment (E0424, E0439, E1390 or E1391) covers the oxygen equipment, oxygen contents (stationary and/or portable), oxygen supplies and accessories, delivery, back-up equipment, maintenance and repairs.

Stationary oxygen equipment volume adjustment – During the 36-month rental period, reimbursement for stationary oxygen equipment may be adjusted based on the amount of oxygen prescribed. Reimbursement for stationary equipment is decreased when the prescribed amount of oxygen is less than 1 liter per minute (LPM) and increased when the prescribed amount of oxygen is greater than 4 LPM (*Source: R4014CP; MM10158; MM10837*).

Suppliers cannot bill for a volume adjustment until compliance with the regulations at 42 CFR Section 414.226(e) has been documented in the plan member's record. That regulation stipulates that:

1. If prescribed flow rate is different for stationary versus portable, the flow rate for stationary is used.
2. If prescribed flow rate is different for the patient at rest versus the patient with exercise, the flow rate at rest is used.
3. If prescribed flow rate is different for nighttime versus daytime use, the flow rates are averaged.

If the prescribed amount of oxygen for stationary equipment is less than 1 LPM, the monthly payment amount for stationary oxygen equipment is reduced by 50%. Suppliers use one of the following HCPCS modifiers with the stationary oxygen HCPCS code:

- Modifier QE - Prescribed amount of stationary oxygen while at rest is less than 1 liter per minute (LPM).
- Modifier QA - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is less than 1 liter per minute (LPM).

If the prescribed amount of oxygen for stationary oxygen equipment is greater than 4 LPM, the fee schedule amount for stationary oxygen equipment is increased by 50%. Suppliers use one of the following HCPCS modifiers with the stationary oxygen equipment HCPCS code:

- Modifier QG - Prescribed amount of stationary oxygen while at rest is greater than 4 LPM.
- Modifier QR - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is greater than 4 LPM.

Portable oxygen equipment - When coverage criteria are met, portable oxygen equipment (E0431, E0433, E0434, E1392 or K0738) is reimbursed in addition to stationary oxygen equipment, except when the prescribed amount of stationary oxygen is greater than 4 LPM (R4014CP; MM10158; MM10837).

Portable equipment (E0431, E0433, E0434, E1392 or K0738) is reimbursed on a rental basis for 36 continuous months. This additional payment for portable oxygen equipment is referred to as the portable add-on:

- If the plan member is using portable oxygen equipment, one of two separate add-on payments is made for the portable oxygen equipment: HCPCS codes E0431 for gaseous oxygen and E0434 for liquid oxygen.
- If the plan member uses a portable concentrator or transfilling machine to fill portable tanks in their homes, the add-on payment is made for HCPCS codes E1392, K0738, or E0433.

No further payment is made for portable oxygen equipment after 36 rental payments have been paid.

Stationary and portable oxygen equipment is often provided at the same time therefore the 36 monthly rental payments for both items often run concurrently.

If use of portable equipment (E0431, E0433, E0434, E1392, K0738) begins after the use of stationary equipment (E0424, E0439, E1390, E1391) 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.

HCPCS 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.

HCPCS 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.

If the prescribed amount of stationary oxygen is greater than 4 LPM and portable oxygen is prescribed, suppliers use one of the following HCPCS modifiers with both the stationary and portable oxygen equipment HCPCS codes:

- QF - Prescribed amount of stationary oxygen while at rest exceeds 4 liters per minute (LPM) and portable oxygen is prescribed.
- QB - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts exceeds 4 liters per minute (LPM) and portable oxygen is prescribed.

Stationary and portable oxygen equipment QF and QB fee schedule amounts have been added to the fee schedule. The stationary oxygen equipment QF and QB fee schedule amounts represent 100% of the stationary oxygen equipment fee schedule amount. The portable oxygen equipment QF and QB fee schedule amounts represent the higher of:

- (1) 50% of the monthly stationary oxygen payment amount (codes E0424, E0439, E1390, E1391); or
- (2) The fee schedule amount for the portable oxygen add-on (codes E0431, E0433, E0434, E1392, or K0738).

<b>Table 1. Volume Adjustment</b>			
<b>HCPCS Codes</b>	<b>HCPCS Modifiers</b>	<b>Liters per Minute (LPM)</b>	<b>Reimbursement</b>
Stationary: E0424, E0439, E1390, E1391)	QE - Prescribed amount of stationary oxygen while at rest is less than 1 liter per minute  QA - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is less than 1 liter per	Less than 1 LPM	50% of the fee schedule amount

	minute (LPM)		
Stationary: E0424, E0439, E1390, E1391)	<p>QG - Prescribed amount of stationary oxygen while at rest is greater than 4 liters per minute (LPM)</p> <p>QR - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is greater than 4 liters per minute (LPM)</p>	Greater than 4 LPM and plan member is ONLY receiving stationary oxygen equipment	150% of the fee schedule amount
<p>Stationary: E0424, E0439, E1390, E1391)</p> <p>Portable: E0431, E0433, E0434, E1392 or K0738</p>	<p>QF - Prescribed amount of stationary oxygen while at rest exceeds 4 liters per minute (LPM) and portable oxygen is prescribed</p> <p>QB - Prescribed amounts of stationary oxygen for daytime used while at rest and nighttime use differ and the average of the two amounts exceeds 4 liters per minute (LPM) and portable oxygen is prescribed</p>	Greater than 4 LPM and the plan member is receiving BOTH stationary and portable oxygen equipment	<p>Stationary: Fee schedule amount</p> <p>Portable: 50% of the fee schedule amount for the stationary oxygen equipment or the portable fee schedule amount, whichever is greater</p>

The supplier who furnished oxygen equipment in the first month is required to continue to provide oxygen equipment and all related items and services for the entire 36-month period unless one of the following occurs:

1. The plan member relocates outside the supplier's service area (either for short-term travel, extended temporary relocation or permanently relocation). In this situation, the supplier is required to provide the equipment, items and services or make arrangements with a different supplier to provide the equipment, items and services for the remainder of the rental month billed. For subsequent rental months that the plan member is outside the supplier's service area, the supplier is encouraged to either provide the equipment, items and services or assist the plan member in finding another supplier in their new location.
2. The plan member elects to obtain oxygen from a different supplier. Plan members are entitled to change suppliers at any time during their period of medical need. A word of caution, finding new suppliers after the 36-month cap may be difficult because the new supplier would receive no monthly payments.
3. The Plan makes an exception on an individual case basis.

Providing different oxygen equipment is not permitted unless one of the following occurs:

1. The supplier replaces the equipment with the same or equivalent.
2. A physician or other qualified health care provider orders different equipment.
3. The member requests different equipment and agrees to financial responsibility in writing prior to delivery.

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

1. The oxygen equipment is damaged beyond repair (e.g., dropped and broken, fire, flood, etc.) or the item is stolen or lost. If oxygen equipment that has been in continuous use by the plan member is lost, stolen or irreparable damage, the plan member may elect to receive replacement of the item that was lost, stolen or damaged beyond repair. In this situation a new 36-month rental period and a new reasonable useful life starts on that date for that replacement item.
2. There is a break in need for at least 60 days plus the days remaining in the month of discontinuation and medical necessity is re-established (see Break in service under **Definitions**).

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

1. Replacement of equipment due to malfunction or routine wear and tear.
2. Provision of different equipment based on a physician order or beneficiary request for an upgrade.
3. Break in need less than 60 days plus the days remaining in the month of discontinuation.
4. Break in billing (e.g., when a member enters a hospital or skilled nursing facility payment resumes where it left off).
5. Changing suppliers.

Oxygen accessories and supplies – Reimbursement for oxygen accessories and supplies is included in the reimbursement for stationary equipment (E0424, E0439, E1390, E1391). This includes any accessory billed under a miscellaneous HCPCS code (e.g., A9900), any codes added to the HCPCS in the future, or under any of the following current HCPCS codes: oximeters (E0445) and oxygen probes for use with oximeters (A4606), trans-tracheal catheters (A4608), cannulas (A4615), tubing (A4616), mouthpieces (A4617), face tent (A4619), masks (A4620, A7525), oxygen conserving devices (A9900), oxygen tent (E0455), humidifiers (E0555), nebulizer for humidification (E0580), regulators (E1352, E1353), wheeled care (E1354), stand/rack (E1355) and battery packs (E1356, E1357, E1358). The supplier must provide any supply or accessory ordered by the physician (A52514).

Claims for supplies and accessories should not be submitted in situations in which they are not separately payable.

Oxygen contents - Reimbursement for stationary and portable oxygen contents (E0441, E0442, E0443, E0444, E0447) is included in the reimbursement for stationary equipment (E0424, E0439, E1390, E1391). No reimbursement is made for oxygen contents in a month in which reimbursement is made for stationary equipment (A52514).

Claims for oxygen contents should not be submitted in situations in which they are not separately payable.

A maximum of 3 months of oxygen contents may be delivered at any one time.

No more than 1 unit of service for stationary contents and/or 1 unit of service for portable contents per month are billable.

Maintenance of equipment – In the case of all oxygen equipment, the supplier is responsible for maintenance and servicing that is necessary to ensure that the equipment is in good working order for the reasonable useful lifetime of the equipment. During months 1-36 there is no separate payment for maintenance and servicing (*Source: A52514*).

Repairs – In the case of all oxygen equipment, the supplier is responsible for performing any repair that is necessary to ensure that the equipment is in good working order for the reasonable

useful lifetime of the equipment. No payment is made for repairs of supplier-owned equipment. This includes parts that must be replaced in order for the supplier-owned equipment to continue to function appropriately. The supplier is responsible for providing loaner equipment when necessary. No payment is made for loaner equipment provided when repairs are being performed (A52514).

### **Months 37-60**

Stationary oxygen equipment - No further payment is made for stationary or portable oxygen equipment after 36 rental payments have been paid (A52514).

The supplier who furnished the oxygen equipment during the 36th rental month is required to furnish oxygen equipment, accessories and supplies, contents (stationary and/or portable), maintenance and repair for the remainder of the 5-year reasonable useful lifetime of the equipment, as long as the plan member has a medical need for oxygen. This requirement includes situations where there is a temporary break in need or break in use of the equipment of any duration after the 36-month rental cap. In such situations, the supplier remains responsible for furnishing the oxygen equipment after the break in need for the remainder of the reasonable useful lifetime during which the medical need for oxygen and oxygen equipment continues. With the exception of oxygen contents for liquid or gaseous oxygen equipment and general maintenance and servicing visits, the supplier must furnish these without charging the Plan or the member (A52514).

After the 36-month rental period has ended, the title of the oxygen equipment remains with the supplier of the equipment (SE0840).

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

If the plan member relocates outside the supplier's service area (either for short-term travel, extended temporary relocation or permanently relocation) after the 36-month rental period and for the remainder of the reasonable useful lifetime of the equipment the supplier is required to either provide the equipment, items and services or make arrangements with a different supplier to provide the equipment items and services to the plan member at his or her new location (L33797, SE0840).

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

1. Replacing equipment due to malfunction, wear and tear, routine maintenance, repair.
2. Providing different equipment based on a treating practitioner order or beneficiary request for an upgrade.
3. Break-in-need (see Break-in-service under **Definitions**).
4. Break-in-billing (see Break-in-service under **Definitions**).
5. Changing suppliers.

Portable oxygen equipment – No further payment is made for stationary or portable oxygen equipment after 36 rental payments have been paid (A52514).

Stationary and portable oxygen equipment is often provided at the same time therefore the 36 monthly rental payments for both items often run concurrently.

If use of portable equipment (E0431, E0433, E0434, E1392, K0738) begins after the use of stationary equipment (E0424, E0439, E1390, E1391) 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.

Oxygen accessories and supplies - The supplier who received payment for furnishing the stationary oxygen equipment during the 36-month rental period is responsible for furnishing accessories and supplies necessary for the effective use of the equipment for any period of medical need following the 36-month rental period for the remainder of the reasonable useful lifetime of the equipment. The supplier must furnish these without charging the Plan or the plan

member. The supplier must provide any accessory or supply ordered by the treating provider. This includes any accessory or supply billed under any of the codes listed in Noridian LCD Oxygen and Oxygen Equipment (L33797), any accessory or supply billed under a miscellaneous HCPCS code and any codes added to the HCPCS in the future (MM6297; SE0840; A52514).

Claims for accessories and supplies should not be submitted in situations in which they are not separately payable.

Oxygen contents - Reimbursement for oxygen contents (E0441 through E0444 and E0447) used with liquid or gaseous oxygen equipment (stationary or portable) begins after the 36-month rental period for stationary equipment (E0424, E0439, E1390, E1391) ends and continues for any period of medical need for the remainder of the reasonable useful lifetime of the equipment. The supplier who furnished the stationary oxygen equipment during the 36-month rental period is responsible for furnishing oxygen contents (MM10837; A52514).

If the plan member was using stationary gaseous or liquid oxygen equipment during the 36th rental month, payment for stationary contents (E0441 or E0442) begins when the rental period for the stationary equipment ends.

If the plan member was using portable gaseous or liquid equipment during the 36th rental month of stationary equipment (gaseous, liquid, or concentrator), payment for portable contents (E0443, E0444 or E0447) begins when the rental period for the stationary equipment ends. If the plan member began using portable gaseous or liquid equipment after starting on stationary equipment, reimbursement for the portable equipment would continue until the end of the 36-month rental period for that equipment even though reimbursement was also being made for the portable contents.

If the plan member was using both stationary and portable gaseous or portable equipment during the 36th rental month of stationary equipment, payment for both stationary contents (E0441 or E0442) and portable contents (E0443, E0444 or E0447) begins when the rental for the stationary equipment ends. Payment for oxygen contents (E0441 through E0444 or E0447) used with liquid or gaseous oxygen equipment (stationary or portable) continues after the 36-month rental cap for any period of medical need for the remainder of the reasonable useful lifetime of the equipment.

If the plan member was using only portable gaseous or liquid equipment (E0431, E0434) and not stationary equipment during months 1 through 36 of the portable equipment rental, payment for portable contents (E0443, E0444 or E0447) begins when the rental period for the portable equipment begins. If stationary equipment is subsequently added, separate payment for portable contents ends because payment for contents is included in the payment for stationary equipment (A52514).

If the plan member was not using gaseous or liquid equipment (stationary or portable) in the 36th month, but was subsequently switched to gaseous or liquid oxygen based on a treating practitioner order, contents may be paid.

If the plan member has a stationary concentrator, portable liquid equipment, and a stationary liquid tank to fill the portable cylinders, when payment for contents begins, payment will only be made for portable liquid contents.

Claims for oxygen contents should not be submitted in situations in which they are not separately payable.

A maximum of 3 months of oxygen contents may be delivered at any one time.

No more than 1 unit of service for stationary contents and/or 1 unit of service for portable contents per month are billable.

When billing oxygen contents (refer to the Policy Article, Non-Medical Necessity Coverage and Payment Rules section), suppliers should use a date of service (DOS) that is the anniversary date of the equipment whose rental period has ended. The billed DOS will usually not be the actual delivery date. The supplier must have a delivery slip for the actual delivery date (A52514).

The plan member's anniversary date occurs every month and is the date of the month on which the item was first delivered to the plan member by the current supplier (§ 414.408).

Maintenance and servicing – If the plan member was using a stationary concentrator, portable concentrator or transfilling equipment (E1390, E1391, E1392, E0433 or K0738) during the 36th rental month, the Plan will pay for in-home maintenance and servicing visits e.g., inspection, changing filters, cleaning, and calibration) beginning 6 months after the end of the 36-month rental period and continuing every six months for the reasonable useful lifetime of the equipment. If the equipment is covered under a warranty that covers routine/general maintenance and servicing, payment for the first maintenance can be no sooner than 6 months following the end of that warranty (R635OTN; R717OTN; A52514).

Suppliers use HCPCS codes E1390, E1391, E0433 or K0738 along with the MS modifier to bill and receive payment for maintenance and servicing of oxygen equipment other than gaseous or liquid oxygen equipment.

Suppliers bill HCPCS code E1390 and not E1392 for maintenance and servicing of portable oxygen concentrator equipment. E1392 should not be used when billing for maintenance and servicing.

Only one maintenance and servicing visit (E1390, E1391, E1392, E0433 or K0738) is payable for each 6-month period, regardless of the combination of stationary and portable oxygen equipment (stationary concentrator, portable concentrator, and/or transfilling equipment) that the plan member uses.

If multiple maintenance and servicing visits are needed, the date of service is the date of the first visit in the first month of the 6-month period during which an in-home inspection of the equipment was performed.

If a combination of stationary concentrator (E1390 or E1391) and transfilling equipment (K0738 or E0433) is furnished, the supplier should bill for the maintenance and servicing payment using the code for the concentrator (E1390 or E1391) and the MS modifier (R635OTN; R717OTN).

If a portable concentrator (billed using a combination of codes E1390 or E1391 and E1392 during the 36-month rental period) is furnished, the supplier should bill for the maintenance and servicing payment using the code for the concentrator (E1390 or E1391) and the MS modifier (R635OTN; R717OTN).

If transfilling equipment (K0738 or E0433) is furnished and a separate concentrator is not furnished or is owned by the plan member, the supplier should bill for the maintenance and servicing payment using the code for the transfilling equipment (K0738 or E0433) and the MS modifier (R635OTN; R717OTN).

No payment will be made for maintenance and service for gaseous or liquid equipment (E0424, E0431, E0434 or E0439) or member-owned oxygen equipment (R635OTN; R717OTN; A52514).

If both a stationary concentrator and portable transfilling equipment are serviced, and the 36-month rental payment cap for one piece of equipment was reached at a different time than the 36-month rental payment cap for the other piece of equipment, the date of service of the first maintenance and service visit is 6 months following the earliest of the dates that the 36-month rental cap was reached for either piece of equipment.

If an unavoidable delay (e.g., hospitalization of the plan member or plan member is out of the service area) causes the date of service to occur after the first month of a 6-month period, the date of service is the date of the visit after the delay during which an in-home inspection of the equipment was performed. The reason for the unavoidable delay must be documented by the supplier and maintained in the supplier's records. Subsequent maintenance and servicing visits can occur no earlier than 6 months after the date of service of the delayed visit. As a result, a new sequence of 6-month periods for maintenance and service is established.

Even if the supplier does not perform a maintenance and servicing visit and forgoes payment, the supplier that furnished the oxygen equipment during the 36th continuous rental month is required to keep the equipment in good working order for the remaining period of medical need or the end of the equipment's reasonable useful lifetime (R717OTN).

Repairs – In the case of all oxygen equipment, the supplier is responsible for performing any repair that is necessary to ensure that the equipment is in good working order for the reasonable useful lifetime of the equipment. No payment is made for repairs of supplier-owned equipment. This includes parts that must be replaced in order for the supplier-owned equipment to continue to function appropriately. The supplier is responsible for providing loaner equipment when necessary. No payment is made for loaner equipment provided when repairs are being performed (A52514).

### **Months 61 and after**

At any time after the end of the 5-year reasonable useful lifetime for oxygen equipment, the member may elect to receive new equipment, thus beginning a new 36-month rental period (A52514).

- If the plan member elects not to receive new equipment at the end of the 5-year reasonable useful life 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 reimbursement for accessories and supplies or for repairs. Separate reimbursement for oxygen contents and maintenance and servicing visits continues.
- If the plan member elects not to receive new equipment at the end of the 5-year reasonable useful life and if the supplier transfers title of the equipment to the plan member, accessories and supplies, maintenance and servicing and repairs are not covered. Oxygen contents are separately payable for member-owned gaseous or liquid oxygen systems.

If a member joins the Plan with member-owned equipment, accessories, maintenance, and repairs are statutorily non-covered by Medicare. Oxygen contents are separately payable for member-owned gaseous or liquid systems.

Oxygen contents - At any time after the end of the 5-year reasonable useful lifetime for oxygen equipment, the member may elect to receive new equipment, thus beginning a new 36-month rental period (A52514).

- If the plan member elects not to receive new equipment and if the supplier retains title to the equipment, all elements of the payment policy for months 37-60 remain in effect. Separate reimbursement for oxygen contents continues.
- If the member elects not to receive new equipment and if the supplier transfers title of the equipment to the member, oxygen contents are separately payable for member-owned gaseous or liquid oxygen systems.

Accessories and supplies - At any time after the end of the 5-year reasonable useful lifetime for oxygen equipment, the member may elect to receive new equipment, thus beginning a new 36-month rental period (A52514).

- If the plan member elects not to receive new equipment at the end of the 5-year reasonable useful life 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 reimbursement for accessories or supplies.
- If the plan member elects not to receive new equipment at the end of the 5-year reasonable useful life and if the supplier transfers title of the equipment to the plan member, accessories and supplies are not covered.

Maintenance and servicing – If the plan member elects not to replace a concentrator or transfilling equipment and if the supplier retains title to the equipment, coverage for maintenance and servicing is the same as in months 37-60. If the plan member elects not to replace a concentrator

or transfilling equipment and if the supplier transfer title to the plan member, maintenance and servicing of member-owned oxygen equipment is not covered (R717OTN, A52514).

**Repairs** - If the plan member elects not to replace a concentrator or transfilling equipment and if the supplier retains title to the equipment, coverage for repairs is the same as in months 37-60. No payment is made for repairs of supplier-owned equipment. If the member elects not to receive new equipment and if the supplier transfers title of the equipment to the member, repairs are not covered.

## Referral/notification/prior authorization requirements

Oxygen and oxygen equipment requires prior authorization. Submit the prior authorization request and supporting documentation to the Fallon Health Prior Authorization Department for review.

Each PACE plan member is assigned to an Interdisciplinary Team. PACE provides participants with all the care and services covered by Medicare and Medicaid, as approved by the interdisciplinary team, as well as additional medically necessary care and services not covered by Medicare and Medicaid. With the exception of emergency care and out-of-area urgently needed care, all care and services provided to PACE plan members must be approved by the interdisciplinary team.

## Billing/coding guidelines

Suppliers shall count as a month, the date the oxygen equipment was initially furnished to the day before the same date in the following month and each rental month thereafter until the 36th month anniversary is reached.

## Ordering/Referring Provider NPI

Effective December 1, 2020, all claims for items and services that are the result of an order or referral must include the ordering/referring provider's name, qualifier (DN/DK), and valid NPI.

On a CMS-1500 claim form (version 02-12) or electronic equivalent:

- Report the name of the ordering provider in Item 17 and the appropriate qualifier to the left of the dotted line on the CMS-1500 (Version 02/12) claim form: DK (ordering provider); report the name of the ordering provider in 2420E Ordering Provider Loop, segment NM1 Ordering Provider Name (Segment NM101 (Qualifier), Segment NM103-NM105 (Name)).
- No information should appear in Item 17a. Item 17a was formerly used to report the Unique Physician Identification Number (UPIN), which is no longer used -- leave this item blank.
- Report the National Provider Identifier (NPI) of the ordering provider in Item 17b or the 837P 2420E Ordering Provider Loop, segment NM109 [NPI].

Qualifier	Provider Role
DN	Referring Provider
DK	Ordering Provider

## Medical necessity modifiers

One of the following medical necessity modifiers must be submitted on claim lines for oxygen equipment during the 36-month rental period. Claim lines submitted without one of the following modifiers will be denied. Claim lines submitted with a GA, GY or GZ modifier will be denied.

Modifier	Description
GA	Waiver of liability (expected to be denied as not reasonable and necessary, ABN on file)
GY	Item or service statutorily excluded or does not meet the definition of any Medicare benefit
GZ	Item or service not reasonable and necessary (expected to be denied as not

	reasonable and necessary, no ABN on file)
KX	Requirements specified in the medical policy have been met

### Oxygen concentrator with a dual delivery port

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 plan members.

### Transfilling equipment

- Code K0738 describes a feature of an oxygen concentrator that allows the plan member 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.

### Volume adjustment modifiers

The monthly payment amount for stationary oxygen equipment is subject to adjustment depending on the volume of oxygen prescribed. Payment for stationary equipment is increased when the prescribed amount of oxygen is greater than 4 LPM and decreased when the prescribed amount of oxygen is less than 1 LPM.

Suppliers cannot bill for a volume adjustment until compliance with the regulations at 42 CFR Section 414.226(e) has been documented in the plan member's record. 42 CFR Section 414.226(e) stipulates:

1. If prescribed flow rate is different for stationary versus portable, the flow rate for stationary is used.
2. If prescribed flow rate is different for the patient at rest versus the patient with exercise, the flow rate at rest is used.
3. If prescribed flow rate is different for nighttime versus daytime use, the flow rates are averaged.

The appropriate modifier must be used if the prescribed flow rate is less than 1 LPM (QA or QE) or greater than 4 LPM (QG or QR).

Modifier QB or QF should be used in conjunction with claims submitted for stationary oxygen (codes E0424, E0439, E1390, or E1391) and portable oxygen (codes E0431, E0433, E0434, E1392, or K0738) when the prescribed amount of oxygen is greater than 4 liters per minute (LPM) and portable oxygen equipment is prescribed.

Modifier	Description
QA	Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is less than 1 liter per minute (LPM)
QB	Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts exceeds 4 liters per minute (LPM) and portable oxygen is prescribed
QE	Prescribed amount of stationary oxygen while at rest is less than 1 liter per minute (LPM)
QF	Prescribed amount of stationary oxygen while at rest exceeds 4 liters per minute (LPM) and portable oxygen is prescribed
QG	Prescribed amount of stationary oxygen while at rest is greater than 4 liters per

	minute (LPM)
QR	Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is greater than 4 liters per minute (LPM)

### Oxygen and water vapor enriching systems

Codes E1405 and E1406 describe oxygen and water vapor enriching systems with or without heated delivery respectively. These devices both extract oxygen from the surrounding air (similar to an oxygen concentrator) and add humidification. They require substantially higher oxygen flow rates in order to deliver the same concentration of oxygen as that achieved by standard oxygen delivery systems (for example, concentrators or liquid/gaseous systems). Since codes E1405 and E1406 require a higher flow rate but do not provide a benefit to the plan member in terms of the inspired concentration of oxygen, modifiers QB, QF, QG, and QR, which are appended to claim lines to indicate oxygen flow rates greater than 4 LPM must not be used with codes E1405 and E1406.

### Billing contents

- When billing oxygen contents, suppliers should use a date of service that is the anniversary date of the oxygen equipment whose 36-month rental period has ended (i.e., code E0424, E0439, E0431, or E0434).
- If the plan member was using only portable gaseous or liquid equipment (i.e., code E0431, or E0434) and not stationary equipment during months 1 through 36 of the portable equipment rental, payment for portable contents begins when the rental period for the portable equipment begins.
- The date of service will not be the actual delivery date.
- The supplier must have a delivery slip for the actual delivery date.
- The supplier does not have to deliver contents every month in order to bill every month. Billing may continue on a monthly basis as long as sufficient supplies remain to last for one month.
- In order to bill for contents, the supplier must have previously delivered quantities of oxygen that are expected to be sufficient for one month following the date of service on the claim.
- Suppliers should monitor usage of contents. If there are insufficient contents to be able to last for a month, additional contents should be provided.
- Claims for oxygen contents should not be submitted in situations in which they are not separately payable.
- A maximum of 3 months of oxygen contents may be delivered at any one time.
- No more than 1 unit of service for stationary contents and/or 1 unit of service for portable contents per month are billable.

Equipment Furnished in Month 36	Monthly Contents Payable After 36-Months
Stationary Gaseous Oxygen System (E0424)	Stationary Gaseous Contents (E0441)
Stationary Liquid Oxygen System (E0439)	Stationary Liquid Contents (E0442)
Portable Gaseous Oxygen System (E0431)	Portable Gaseous Contents (E0443)
Portable Liquid Oxygen System (E0434)	Portable Liquid Contents (E0444, E0447*)

\* Use of the high flow liquid content code E0447 is restricted to plan members with prescribed flow rates of more than 4 liters per minute.

### Billing maintenance and servicing visits

- The date of service of the first maintenance and servicing visit must be at least 6 months after the 36-month rental cap for oxygen equipment or the end of the warranty period for maintenance and servicing, whichever is later. Only one maintenance and servicing visit is payable for each 6-month period, regardless of the combination of stationary and portable oxygen equipment that the beneficiary uses.

- If a combination of stationary concentrator (E1390 or E1391) and transfilling equipment (K0738 or E0433) is furnished, the supplier should bill for the maintenance and servicing payment, using the code for the concentrator (E1390 or E1391) and the MS modifier.
- If a portable concentrator (billed using a combination of codes E1390 and E1392 during the 36-month rental period) is furnished, the supplier should bill for the maintenance and servicing payment using the code for the concentrator (E1390 or E1391) and the MS modifier.
- Code E1392 should not be used when billing for maintenance and servicing.
- If transfilling equipment (K0738 or E0433) is furnished and a separate concentrator is not furnished or is owned by the beneficiary, the supplier should bill for the maintenance and servicing payment, using the code for the transfilling equipment (K0738 or E0433) and the MS modifier.
- Only one maintenance and servicing payment may be made for each 6-month period, regardless of the number of visits. Although a visit is not required, separate payment is not allowable without an in-home visit to inspect the equipment.

### **Multifunction ventilator (E0467)**

Code E0467 describes a device that functions as a ventilator but also incorporates additional functionality of suction, oxygen concentration cough stimulation, and nebulization. Oxygen and oxygen equipment (HCPCS codes E0424, E0431, E0433, E0434, E0439, E0441, E0442, E0443, E0444, E0447, E1390, E1391, E1392, E1405, E1406, and K0738) are not separately payable in any month in which a multi-function ventilator Code E0467 (Home ventilator, multi-function respiratory device, also performs any or all of the additional functions of oxygen concentration, drug nebulization, aspiration, and cough stimulation, includes all accessories, components and supplies for all functions) is payable.

### **Codes for oxygen equipment**

The following codes are included for informational purposes only; inclusion of a code does not constitute or imply coverage or reimbursement.

HCPCS 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.

HCPCS 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	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
E0430	Portable gaseous oxygen system, purchase; includes regulator, flowmeter, humidifier, cannula or mask, and tubing
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
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
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 non-invasively
E0446	Topical oxygen delivery system, not otherwise specified, includes all supplies and accessories
E0447	Portable oxygen contents, liquid, 1 month's supply = 1 unit, prescribed amount at rest or nighttime exceeds 4 liters per minute (lpm)
E1390	Oxygen concentrator, single delivery port, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate
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

## Place of service

This policy applies to oxygen and oxygen equipment provided for use in the member's home.

## Policy history

Origination date: 09/01/2022  
Connection date and details: July 2022 – Introduced as a new policy.  
January 2023 – Updated Referral/notification/prior authorization requirements section to include information on coverage/requirements for services provided to PACE plan members.

*The criteria listed above apply to Fallon Health plan and its subsidiaries. This payment policy has been developed to provide information regarding general billing, coding, and documentation guidelines for the Plan. Even though this payment policy may indicate that a particular service or supply is considered covered, specific provider contract terms and/or member individual benefit plans may apply and this policy is not a guarantee of payment. The Plan reserves the right to apply this payment policy to all of the Plan companies and subsidiaries. The Plan routinely verifies that charges billed are in accordance with the guidelines stated in this payment policy and are appropriately documented in the medical records. Payments are subject to post-payment audits and retraction of overpayments.*