



## Oxygen Policy Update

MLN Matters Number: MM10837

Related Change Request (CR) Number: 10837

Related CR Release Date: July 31, 2019

Effective Date: January 1, 2019

Related CR Transmittal Number: R2326OTN

Implementation Date: January 7, 2019

### PROVIDER TYPES AFFECTED

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This MLN Matters Article is for providers and suppliers submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) and Home Health and Hospice MACs for oxygen services provided to Medicare beneficiaries.

### PROVIDER ACTION NEEDED

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CR 10837 implements a new policy and coding for oxygen content. Make sure your billing staffs are aware of these updates.

### BACKGROUND

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Medicare payment for oxygen and oxygen equipment is made in accordance with the rules specified in sections 1834(a)(5) and (a)(9) of the Social Security Act (the Act). Medicare makes a monthly payment for oxygen and oxygen equipment that includes payment for the stationary equipment (concentrators and stationary gaseous or liquid equipment), supplies and oxygen contents (stationary and portable) under HCPCS codes E1390, E1391, E0424, or E0439.

If the patient is also using portable oxygen, 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 patient uses a portable concentrator or transfilling machine to fill portable tanks in their homes (Oxygen Generating Portable Equipment, or OGPE), a higher add-on payment is made (HCPCS codes E1392, K0738, or E0433).

Medicare pays no more than 36 continuous monthly rental payment amounts for oxygen and oxygen equipment. Payment for oxygen contents (HCPCS codes E0441 through E0444) 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.

Also, within the 36-month period, the fee schedule amount for stationary oxygen equipment may

be adjusted based on the amount of oxygen prescribed. This includes a 50-percent volume adjustment add-on payment to suppliers for furnishing oxygen and oxygen equipment to patients with a prescribed oxygen flow rate of more than 4 liters per minute. Effective April 1, 2018, the Centers for Medicare & Medicaid Services (CMS) implemented new and revised oxygen volume adjustment modifiers (QE, QF, QG, QA, QB, and QR) under CR 10158 to facilitate compliance with the oxygen volume adjustment regulations in the Code of Federal Regulations 42 CFR 414.226(e). **Note:** You can review related article MM10158 at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM10158.pdf>.

For 2019, CMS added a new oxygen payment class that would set the rental payment for portable liquid oxygen (HCPCS code E0434) equivalent to the rental payment made for portable concentrators and transfilling equipment (HCPCS codes E1392, K0738, or E0433). CMS also added a new payment class for high-flow portable liquid oxygen contents when a patient's prescribed flow rate exceeds 4 liters per minute. This new high-flow oxygen content class allows for the continuation of high-flow oxygen volume adjustment payments beyond the initial 36 months of continuous use. Additional information on these new payment classes is in the CY 2019 End-Stage Renal Disease (ESRD)/DMEPOS final rule, CMS-1691-F, which is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/End-Stage-Renal-Disease-ESRD-Payment-Regulations-and-Notices.html>.

To implement the 2019 oxygen changes, revised fees for the portable liquid oxygen code E0434 were communicated on the January 1, 2019, Durable Medical Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule file.

In addition, HCPCS code E0447 (Portable Oxygen Contents, Liquid, 1 Month's Supply = 1 Unit, Prescribed Amount At Rest Or Nighttime Exceeds 4 Liters Per Minute (LPM)) was established, effective January 1, 2019, to identify portable liquid oxygen contents for beneficiaries with prescribed flow rates of more than 4 liters per minute. The fee schedule amounts for code E0447 were set at 150 percent of the fee for portable oxygen contents and were communicated on the January 1, 2019 DMEPOS fee schedule file. Use of the new high flow liquid content code E0447 is restricted to beneficiaries requiring a flow rate of more than 4 liters per minute at rest or nighttime, but otherwise, the payment rules associated with existing portable liquid oxygen content code E0444 would apply to the new portable liquid oxygen content code E0447. For example, like E0444, beginning with dates of service on or after the end date of service for the month representing the 36th month of payment for E0434, a supplier would be eligible to bill on a monthly basis for furnishing high flow portable liquid oxygen under E0447.

## ADDITIONAL INFORMATION

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The official instruction, CR 10837, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R2326OTN.pdf>.

If you have questions, your MACs may have more information. Find their website at

<http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

Date of Change	Description
August 2, 2019	Initial article released.

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