



Policy Title	Oxygen Supplies Reimbursement Policy
Policy Department	Payment Strategy & Optimization
Effective Date	6/30/2022
Revision Date(s)	
Next Review Date	

Disclaimer:

Clover Health applies The Center for Medicare and Medicaid Services (CMS) criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

This policy describes the requirements for billing oxygen therapy to Clover Health. This includes coding requirements, medical necessity and physician referrals. Oxygen and oxygen equipment is covered under the Durable Medical Equipment benefit (Social Security Act §1861(s)(6)). In order for a beneficiary's equipment to be eligible for reimbursement the reasonable and necessary (R&N) requirements set out in the related Local Coverage Determination must be met. In addition, there are specific statutory payment policy requirements, discussed below, that also must be met.

Policy:

Effective September 27, 2021, oxygen therapy and oxygen equipment is covered in the home for acute or chronic conditions, short- or long- term, when the patient exhibits hypoxemia as defined by CMS.

To support medical necessity, Clover requires a qualifying arterial blood gas or oximetry studies to be performed at the time of need. The time of need is defined as during the patient's illness when the presumption is that the provision of oxygen in the home setting will improve the patient's condition. For an inpatient hospital patient the time of need is within 2

days of discharge. For those patients whose initial oxygen prescription does not originate during an inpatient hospital stay, the time of need is during the period when the treating practitioner notes signs and symptoms of illness that can be relieved by oxygen in the patient who is to be treated at home.

If the medical records do not support the CMS requirements for oxygen therapy, Clover will deny the claim.

The reasonable useful lifetime (RUL) for oxygen equipment is 5 years. The RUL is not based on the chronological age of the equipment. It starts on the initial date of service and runs for 5 years from that date.

Reimbursement for oxygen equipment is limited to 36 monthly rental payments. Payment for accessories (e.g., cannula, tubing, etc.), delivery, back-up equipment, maintenance, and repairs is included in the rental allowance. Payment for oxygen contents (stationary and/or portable) is included in the allowance for stationary equipment (E0424, E0439, E1390, E1391).

Payment for stationary equipment is increased for beneficiaries requiring greater than 4 liters per minute (LPM) of oxygen flow and decreased for beneficiaries requiring less than 1 LPM. 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.

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 outside of the supplier's service area
- Beneficiary elects to obtain oxygen from a different supplier
- Individual case exceptions made by CMS or DME MAC
- Item becomes subject to competitive bidding

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.

Exceptions to these requirements can be found within CMS article A52514.

Claim Codes (if applicable)

- HCPCS 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.
- HCPCS 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 beneficiary 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 liters/minute, must not be used with codes E1405 and E1406.
- HCPCS code E1392 describes an oxygen concentrator which is designed to be portable, is capable of delivering 85% or greater oxygen concentration, and is capable of operating 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. If a concentrator meets all of these criteria

	<p>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.</p> <ul style="list-style-type: none">● 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.● When oxygen is supplied as part of a CMS approved clinical trial for cluster headaches, equipment must be coded E0424 (STATIONARY COMPRESSED GASEOUS OXYGEN SYSTEM, RENTAL; INCLUDES CONTAINER, CONTENTS, REGULATOR, FLOWMETER, HUMIDIFIER, NEBULIZER, CANNULA OR MASK, AND TUBING).● Refill contents used with equipment to treat cluster headaches must be coded using E0441 (STATIONARY OXYGEN CONTENTS, GASEOUS, 1 MONTH'S SUPPLY = 1 UNIT).● HCPCS 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 includes all components.● HCPCS code E0467 (HOME VENTILATOR, MULTI-FUNCTION RESPIRATORY DEVICE, ALSO PERFORMS ANY OR ALL OF THE ADDITIONAL
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	<p>FUNCTIONS OF OXYGEN CONCENTRATION, DRUG NEBULIZATION, ASPIRATION, AND COUGH STIMULATION, INCLUDES ALL ACCESSORIES, COMPONENTS AND SUPPLIES FOR ALL FUNCTIONS) describes a ventilator that integrates the function of multiple types of equipment into a single device. Code E0467 combines the function of a ventilator with all of the following:</p> <ul style="list-style-type: none">• Oxygen equipment• Nebulizer and compressor• Aspirator (suction device)• Cough stimulator (multiple products) <ul style="list-style-type: none">• If the multifunction ventilator does not include all of the functions listed above, then the ventilator must not be coded as E0467. Multifunction ventilators that combine some but not all, of the listed functions, must be coded as E1399 (DURABLE MEDICAL EQUIPMENT, MISCELLANEOUS).• Positive airway pressure (PAP) devices, respiratory assist devices (RAD), and custom fabricated oral appliances, are considered same or similar to the features of products coded E0467.• The following oxygen and oxygen equipment HCPCS codes for individual items are included in the functionality of code E0467:<ul style="list-style-type: none">• HCPCS codes E0424, E0431, E0433, E0434, E0439, E0441, E0442, E0443, E0444, E0447, E1390, E1391, E1392, E1405, E1406 and K0738
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References
NDC 240.2 Home Use of Oxygen
Oxygen and Oxygen Equipment - A52514

