



Colorado Medicaid Benefits Collaborative Policy Statement

DME OXYGEN

Brief Coverage Statement

Colorado Medicaid covers oxygen contents, oxygen equipment and supplies when medically necessary. Oxygen can be delivered through the use of concentrators, liquid oxygen systems, or gaseous oxygen systems. The oxygen delivery systems can be either stationary or portable.

Services Addressed in Other Policies

- None

Eligible Providers

Providers must be enrolled with Colorado Medicaid. Types of providers who can render this type service are: Accredited Durable Medical Equipment (DME) Providers.

PRESCRIBING PROVIDER

The following providers may prescribe this service:

- Doctors of Medicine (MD)
- Doctors of Osteopathy (DO)
- Physician Assistants
- Nurse Practitioners.

Eligible Places of Services

- Home
- Nursing Facilities
- Intermediate Care Facilities for the Mentally Retarded

Note: Oxygen contents and oxygen equipment provided to hospitalized individuals must be provided by the facility and cannot be submitted for direct payment by the medical supplier or pharmacy.

Eligible Clients

All Colorado Medicaid eligible clients may receive oxygen therapy.



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Covered Services and Limitations

When medically necessary and prescribed by a physician and when applicable be recommended by an appropriately licensed practitioner, oxygen and oxygen equipment or supplies, are a Medicaid benefit for eligible recipients.

Ventilator-dependant clients and clients under the age of 21 require a prescription for oxygen and oxygen equipment or supplies and are excluded from the limitations described in this policy.

CLINICAL CRITERIA

Coverage is available for non ventilator dependant patients over the age of 20 with the following clinical criteria for clients with significant hypoxemia in the chronic stable state if:

- The attending physician has determined that the patient has one of the health conditions described in this policy;
- The patient meets the blood gas evidence requirements specified in paragraph 3 below, and
- The patient has appropriately tried other alternative treatment measures without complete success.

1. CONDITIONS FOR WHICH OXYGEN THERAPY MAY BE COVERED

A severe lung disease, such as chronic obstructive pulmonary disease or diffuse interstitial lung disease, whether of known or unknown etiology; cystic fibrosis bronchiectasis; widespread pulmonary neoplasm; or hypoxia-related symptoms or findings that might be expected to improve with oxygen therapy. Examples of these symptoms and findings are pulmonary hypertension, recurring congestive heart failure due to chronic cor pulmonale, erythrocytosis, impairment of the cognitive process, nocturnal restlessness, morning headache, and cluster headaches.

2. CONDITIONS FOR WHICH OXYGEN THERAPY IS NOT COVERED

Chronic angina pectoris in the absence of hypoxemia. This condition is generally not the result of a low oxygen level in the blood, and there are other preferred treatments; breathlessness without cor pulmonale or evidence of hypoxemia. Although intermittent oxygen use is sometimes prescribed to relieve this condition, it is potentially harmful and psychologically addicting;

3. COVERED BLOOD GAS VALUES

If the patient has an eligible condition, as described in this policy, coverage is available under one of the three group categories outlined below.

Group I - Coverage is provided for patients with significant hypoxemia evidenced by any of the following:



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- An arterial PO₂ at or below 55 mm Hg, or arterial oxygen saturation at or below 88 percent, taken at rest, breathing room air.
- An arterial PO₂ at or below 55 mm Hg, or an arterial oxygen saturation at or below 88 percent, taken during sleep for a patient who demonstrates an arterial PO₂ at or above 56 mm Hg, or an arterial oxygen saturation at or above 89 percent, while awake; or a greater than normal fall in oxygen level during sleep (a decrease in arterial PO₂ more than 10 mm Hg, or decrease in arterial oxygen saturation more than 5 percent) associated with symptoms or signs reasonably attributable to hypoxemia (e.g., impairment of cognitive processes and nocturnal restlessness or insomnia). In either of these cases, coverage is provided only for use of oxygen during sleep, and then only one type of unit will be covered. Portable oxygen, therefore, would not be covered in this situation.
- An arterial PO₂ at or below 55 mm Hg or an arterial oxygen saturation at or below 88 percent, taken during exercise for a patient who demonstrates an arterial PO₂ at or above 56 mm Hg, or an arterial oxygen saturation at or above 89 percent, during the day while at rest. In this case, supplemental oxygen is provided for during exercise if there is evidence the use of oxygen improves the hypoxemia that was demonstrated during exercise when the patient was breathing room air.

Group II - Coverage is available for patients whose arterial PO₂ is 56-59 mm Hg or whose arterial blood oxygen saturation is 89 percent, if there is evidence of:

- Dependent edema suggesting congestive heart failure;
- Pulmonary hypertension or cor pulmonale, determined by measurement of pulmonary artery pressure, gated blood pool scan, echocardiogram, or "P" pulmonale on EKG (P wave greater than 3 mm in standard leads II, III, or AVFL); or
- Erythrocythemia with a hematocrit greater than 56 percent.

Group III - There is a rebuttable presumption that a home program of oxygen use is not medically necessary for patients with arterial PO₂ levels at or above 60 mm Hg, or arterial blood oxygen saturation at or above 90 percent. In order for claims in this category to be reimbursed, the prescribing physician must document rebuttal of this presumption in the medical record. Colorado Medicaid expects few claims to be approved for coverage in this category.

Note: Variable Factors That May Affect Blood Gas Values –

Colorado Medicaid recognizes that the arterial PO₂ levels and the arterial oxygen saturation percentages specified above may be altered due to variations in oxygen measurements resulting from factors such as the patient's age, the altitude level, or the patient's decreased oxygen carrying capacity.



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OXYGEN LEVEL ASSESSMENT

The assessment of oxygen level in a patient's blood can be either by an arterial blood gas or pulse oximeter. The oxygen level assessment must be done by a provider that can submit a claim for medical services to Medicaid or Medicare. A supplier cannot conduct the oxygen assessment level for a client they supply with oxygen.

PORTABLE OXYGEN SYSTEMS

A patient over the age of 20 meeting the requirements specified below may qualify for coverage of a portable oxygen system either (1) by itself or (2) to use in addition to a stationary oxygen system. A portable oxygen system is covered for a particular patient if:

The claim meets the requirements specified in the Clinical Criteria section and the medical documentation indicates that the patient is mobile in their residence or mobile in the community and would benefit from the use of a portable oxygen system.

Portable oxygen systems are not covered for patients who qualify for oxygen solely based on blood gas studies obtained during sleep unless the patient resides in a nursing facility.

If a patient resides in a nursing facility and receives portable oxygen while sleeping outside their room, the patient should be assessed for continuous oxygen need.

A Prior Authorization Request is needed when patient needing oxygen only at night need to be away from their residence overnight. Use Questionnaire 16, found in the Provider Bulletin or on the Colorado.gov/hcpf Web site: Colorado.gov/hcpf, click "Providers," click "Provider Services," and click "Forms."

Requirements

CERTIFICATE OF MEDICAL NECESSITY

For long term oxygen therapy, the medical supplier must have a fully completed current Certificate of Medical Necessity (CMN) on file to support the claims for oxygen or oxygen supplies for non ventilator dependant clients over the age of 20 receiving covered oxygen therapy within 90 days of providing oxygen or oxygen equipment and supplies. Either the Medicare CMN-484 Oxygen form or the Colorado Medicaid Certificate of Medical Necessity for Oxygen Benefits form can be used. The blood gas study must be the most recent study obtained within 30 days prior to the initial date of oxygen benefit provided identified on the CMN. For short term therapy (under 90 days) a CMN is strongly encouraged but not required. A supplier has 120 days to obtain a CMN when one is required.

The CMN must be signed by a physician or licensed professional responsible for care of the patient which includes the Medical Director of a nursing facility. The information in the CMN does not have to be completed by the physician or person signing.



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RECERTIFICATION

Clients over the age of 20 not ventilator dependant must be recertified with a New Certificate of Medical Necessity every 12 months or when their condition changes whichever comes first. If a client has been certified for 24 consecutive months, a CMN for oxygen is no longer required.

Suppliers will have 12 months from the adoption of this policy to obtain the required information for any patients receiving oxygen benefit at the adoption of this policy.

PRIOR AUTHORIZATION

The Prior Authorization requirements for overnight portable oxygen for patients with a need based on a sleep study only are included in Questionnaire 16. A Prior Authorization is not required for other oxygen, oxygen equipment or supplies unless as noted in the Provider Bulletins. Provider Bulletins are available at

<http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1246972411343>

Billing Guidelines

Provider must keep records supporting reimbursement for 6 years. Records shall include but not be limited to:

- Current, original physician orders, prescription, or Certificate of Medical Necessity (CMN). When the oxygen benefit is only provided for short term therapy of less than 90 days, a Certificate of Medical Necessity is recommended but not required. Short term therapy requires assessment of hypoxia and it must be documented in the provider records.
- Record of items provided.
- Documentation supporting the client or caregiver was provided with manufacturer instructions, warranty information, service manual, and operating instructions.

Nursing Facilities have an option to provide oxygen concentrators for Medicaid patients and capitalize the purchase over the useful life of the asset, 10 CCR 2505-10 8.580.C.3.

Providers shall bill for reimbursement through the Colorado Medicaid's fiscal agent under a fee-for-service arrangement and adhere to Medicaid billing rules and requirements, including timely filing of claims.

Claims submitted for oxygen delivery systems and contents must be billed on a monthly basis.



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Gaseous and liquid oxygen cannot be billed in the same month for the same client by the same supplier. A concentrator can be billed in the same month with either a gaseous oxygen system or a liquid oxygen system.

Colorado Medicaid will reimburse a monthly rental for an oxygen system or oxygen concentrator or both. The concentrator rental for a client in a Nursing Facility is reimbursed on an hourly basis each month.

DUALLY ELIGIBLE CLIENTS

For clients over the age of 20 that are dually eligible for Medicaid and Medicare and receiving benefits not in a Nursing Facility or Intermediate Care Facility for the Mentally Retarded, Medicare regulations are applicable and Medicaid will not reimburse as primary payer for oxygen contents. Approved Medicare payment codes must be used for reimbursement.

REIMBURSEMENT

Reimbursement for liquid or gaseous oxygen contents for non ventilator dependant adult for content is on a monthly fee and the actual content is not part of the reimbursement. Modifiers will be used to adjust the monthly content when the client's needs are below 2 liters per minute or above 4 liters per minute. Clients requiring more than 6 liters per minute must negotiate reimbursement with Colorado Medicaid and submit Questionnaire 16. The reimbursement is based on actual documented liter flow when available to the supplier. If actual liter flow is not available, then the liter flow noted in the orders or on the Certificate of Medical Necessity should be used.

Stationary oxygen systems in nursing homes are reimbursed and billed using two modifiers (TT and RR) and identification of the number of clients using the stationary system.

The fee schedule posted on the HCPF website has current reimbursement information.

Definitions

Arterial Blood Gas or ABG – a blood sample obtained from an artery that provides measures of the blood pH (acid-base balance), partial pressures of oxygen and carbon dioxide, and the concentration of bicarbonate.

Concentrator – an oxygen delivery system that operates electrically to concentrate oxygen from room air.

Gaseous Oxygen Delivery System – an oxygen delivery system that uses oxygen in the gaseous state.

Hypoxemia – deficient oxygenation of blood.

Liquid Oxygen Delivery System – an oxygen delivery system that uses oxygen in its liquid state.

Oxygen Concentrator – the same as concentrator.



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Oxygen Delivery System – the method by which oxygen is delivered to the patient.

Portable Oxygen Delivery System – an oxygen delivery system that can be easily moved with the patient on a frequent basis.

Stationary Oxygen Delivery System – an oxygen delivery system that cannot be easily moved with the patient on a frequent basis.

Supplemental Oxygen – oxygen provided to a patient in excess of room air (21 percent oxygen).

Ventilator – a device to assist or control ventilation in a patient who is unable to maintain spontaneous ventilation.

References

42 CFR 424.57

42 USC 1395m, 42USC 1395x(n)

CMS Local Coverage Determination for Oxygen and Oxygen Equipment (L11446)

Department of Health and Human Services Office of the Inspector General. Medicare Home Oxygen Equipment: Cost and Servicing, September 2006

California Department of Health Care Services Medi-Cal, 2 - Durable Medical Equipment (DME): Bill for Oxygen and Respiratory Equipment

North Carolina Division of Medical Assistance Durable Medical Equipment Clinical Coverage Policy No.: 5A

Durable Medical Equipment and Disposable Supplies - 10 C.C.R. 2505-10, Section 8.590

Oxygen and Oxygen Equipment - 10 CCR 2502-10 Section 8.580

Oxygen, Oxygen Equipment and Supplies - 10 CCR 2505-10 Section 8.585

Medicaid Director Signature

Date

7/21/2011