

# PROVIDER QUICK POINTS

## Provider information



August 15, 2013

### Medicare guidelines for processing of oxygen and oxygen equipment

Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) provide services to Medicare beneficiaries under Medicare programs offered as SecureBlue<sup>SM</sup> (HMO SNP), Platinum Blue<sup>SM</sup> (Cost) and Blue Essentials (HMO-POS). Blue Cross has been following and will continue to follow the Medicare 36-month rental guidelines for oxygen and equipment for these three Blue Cross Medicare products.

Medicare reimbursement for oxygen equipment is limited to 36 monthly rental payments. Payment for accessories (for example, 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). After 36 months of continuous use, Medicare stops making rental payments for the oxygen equipment, but, in almost all circumstances, the beneficiary will continue to get the oxygen equipment, accessories and supplies from the same supplier with no rental charge until the end of the reasonable useful lifetime (RUL) of the oxygen equipment (generally 5 years after the date that the equipment was delivered). 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.

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 the Centers for Medicare & Medicaid Services (CMS) or Durable Medical Equipment (DME) Medicare Administrative Contractor (MAC)
- Item becomes subject to competitive bidding

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

- Specific incident of damage beyond repair (for example, 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

#### **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 physician order or beneficiary request for an upgrade
- Changing suppliers

#### **Additional information**

Please refer to the following websites for additional information:

**Medicare.gov**

**[cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R871OTN.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R871OTN.pdf)**

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