CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 635	**Date: February 5, 2010**
	Change Request 6792

Subject: Maintenance and Servicing Payments for Certain Oxygen Equipment on or After July 1, 2010

I. SUMMARY OF CHANGES: This one-time notification provides instructions regarding payment for maintenance and servicing of oxygen equipment furnished for dates of service on or after July 1, 2010.

New / Revised Material
Effective Date: July 1, 2010
Implementation Date: July 6, 2010

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:
SECTION A: For Fiscal Intermediaries and Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 635	Date: February 5, 2010	Change Request: 6792

SUBJECT: Maintenance and Servicing Payments for Certain Oxygen Equipment on or After July 1, 2010

Effective Date: July 1, 2010

Implementation Date: July 6, 2010

I. GENERAL INFORMATION

A. Background:

Section 1834(a)(5)(F)(ii)(III) of the Act provides for payment for reasonable and necessary maintenance and servicing of oxygen equipment furnished after the 36-month rental payment cap for parts and labor not covered by the supplier's or manufacturer's warranty. Recent instructions relating to the maintenance and servicing payments for oxygen equipment furnished through June 30, 2010, were issued in Transmittal 589, CR 6716, dated November 2, 2009. This one-time notification provides instructions regarding payment for maintenance and servicing of oxygen equipment furnished for dates of service on or after July 1, 2010.

B. Policy:

Effective for certain oxygen equipment (i.e., oxygen concentrators and oxygen transfilling equipment) but not for other gaseous or liquid oxygen equipment (stationary or portable) furnished on or after July 1, 2010, a maintenance and servicing fee of $66 is paid every 6 months, beginning 6 months after the 36th paid rental month or end of the period the item is no longer covered under the supplier's or manufacturer's warranty, whichever is later. The maintenance and servicing fee will be updated on an annual basis through program instructions based on the covered item update for DME. The payment covers <u>all</u> maintenance and servicing through the following 6 months that is needed in order to keep the oxygen equipment in good working order. A single payment ($66 for dates of service July 1, 2010 through December 31, 2010) is made per beneficiary regardless of the number of pieces of equipment serviced (stationary concentrator, portable concentrator, and/or transfilling equipment), regardless of when the maintenance and servicing is performed during each 6-month period, and regardless of how often the equipment must be maintained and serviced. The supplier is required to make at least one maintenance and servicing visit to inspect the equipment and provide any maintenance and servicing needed at the time of the visit during the first month of each 6-month period. For example:

- 36th monthly oxygen rental payment made for month ending June 30, 2010
- 6-month period without oxygen rental payment ends December 31, 2010
- Maintenance and servicing payment may begin on January 1, 2011, provided warranty coverage ended on June 30, 2010, or earlier
    - Supplier must make at least one in-home visit during January, 2011
    - Payment covers all maintenance and servicing through June 30, 2011
- Subsequent maintenance and servicing payment(s) may begin on July 1, 2011
    - Supplier must make at least one in-home visit during July, 2011

No payment may be made for maintenance and servicing of gaseous or liquid oxygen equipment (stationary or portable) or for maintenance and servicing of beneficiary-owned oxygen equipment.

Billing

Suppliers use HCPCS codes E1390 (also applies to maintenance and servicing of a portable concentrator), 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 shall bill HCPCS code E1390 for maintenance and servicing for a beneficiary using a single delivery port stationary oxygen concentrator or portable concentrator. Suppliers shall also use HCPCS code E1390 for maintenance and servicing for beneficiaries renting a combination of single delivery port stationary oxygen concentrators and gaseous or liquid oxygen transfilling equipment. Suppliers shall bill E1391 for maintenance and servicing for a beneficiary using a dual delivery port stationary oxygen concentrator or for beneficiaries renting a combination of dual delivery port stationary oxygen concentrators and gaseous or liquid oxygen transfilling equipment. Suppliers shall bill HCPCS code K0738 only in situations where the beneficiary owns stationary oxygen equipment but rents gaseous oxygen transfilling equipment. HCPCS code E0433 should only be billed in situations where the beneficiary owns stationary equipment but rents liquid oxygen transfilling equipment. Suppliers shall bill HCPCS code E1390 and not E1392 for maintenance and servicing of portable oxygen concentrator equipment. Suppliers shall bill the appropriate HCPCS code for the equipment or combination of equipment, as applicable, with the "MS" modifier.

Only one maintenance and servicing payment can be made for any combination of oxygen equipment used by the beneficiary that is classified under HCPCS codes E1390, E1391, E1392, E0433 or K0738. For example, if maintenance and servicing is billed for a column I code/modifier, additional payment for the maintenance and servicing of any of the column II codes/modifiers shall not be made.

Column I	Column II
E1390MS	E1391MS, K0738MS, E0433MS
E1391MS	E1390MS, K0738MS, E0433MS
K0738MS	E1390MS, E1391MS, E0433MS
E0433MS	E1390MS, E1391MS, K0738MS

The maintenance and servicing payments following the 36th month rental cap for oxygen concentrators and transfilling equipment terminate if the stationary oxygen equipment is replaced and a new 36-month rental period commences.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	**Requirement**	**Responsibility (place an "X" in each applicable column)**									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6792.1	Contractors shall pay claims with dates of service on or after July 1, 2010, for maintenance and servicing of oxygen equipment identified in requirement 6792.1.1 no		X			X	X		X		J14

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	more often than every 6 months beginning 6 months after the end of the 36th month of continuous use or end of the supplier's or manufacturer's warranty, whichever is earlier.										
6792.1.1	Contractors shall pay no more than one payment per beneficiary, regardless of the combination of oxygen concentrator equipment and/or transfilling equipment used by the beneficiary, for any 6-month period for either HCPCS code E1390, E1391, E0433 or K0738, billed with the "MS" modifier.		X			X	X		X		J14
6792.1.2	Contractors shall deny claims for more than one payment per beneficiary, regardless of the combination of oxygen concentrator equipment and/or transfilling equipment used by the beneficiary, for any 6-month period for either HCPCS code E1390, E1391, E0433 or K0738, billed with the "MS" modifier. NOTE: Please see 6792.2.1 and/or 6792.2.3 for RA and/or MSN Messages for denied claims.		X			X	X		X		J14
6792.1.3	The maintenance and servicing fee shall be $66 for claims with dates of service July 1, 2010 thru December 31, 2010. Payment is based on the lower of the supplier's actual charge or the maintenance and servicing fee.		X			X	X		X		J14
6792.1.4	Contractors shall advise suppliers to bill for maintenance and servicing using only one of the following codes that describe the oxygen equipment or combination of equipment used by the beneficiary during each 6 month period with the "MS" modifier: E1390 –for beneficiaries using single delivery port stationary oxygen concentrators, portable concentrators, or a combination of rented single delivery port stationary concentrators and rented transfilling equipment. E1391- for beneficiaries using a dual delivery port stationary oxygen concentrator or a combination of rented dual delivery port stationary concentrators and rented transfilling equipment. E0433- for beneficiaries who own stationary oxygen equipment and rent liquid oxygen transfilling equipment. K0738 - for beneficiaries who own stationary oxygen equipment and rent gaseous oxygen transfilling		X			X					J14

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	equipment.										
6792.2	Contractors shall deny claims for maintenance and servicing of beneficiary-owned oxygen equipment or equipment billed with HCPCS codes E0424, E0439, E0431, E0434, E1405, E1392 or E1406 and the MS modifier.		X			X	X		X		J14
6792.2.1	Contractors shall use the following remittance advice reason code for denied claims: Reason code A1: Claim/Service denied. Remark Code M6 (revised) – Alert: You must furnish and service this item for any period of medical need for the remainder of the reasonable useful lifetime of the equipment. Remark Code N372: Only reasonable and necessary maintenance/service charges are covered.		X			X					J14
6792.2.2	Contractors shall assign group code CO (contractual obligation).		X			X					J14
6792.2.3	Contractors shall use the following MSN messages for denied claims: 8.28 - Maintenance, servicing, replacement, or repair of this item is not covered. 16.35: You do not have to pay for this amount. Spanish translations: MSN 8.28 - El mantenimiento, servicio, reemplazo o reparación de este artículo no está cubierto. MSN 16.35 - Usted no tiene que pagar esta cantidad.		X			X					J14

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6792.3	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.		X			X					J14

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

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X-Ref Requirement Number	Recommendations or other supporting information:
None.	

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Karen Jacobs, Karen.Jacobs@cms.hhs.gov, Anita Greenberg, Anita.Greenberg@cms.hhs.gov, or Bobbett Plummer for billing and claims processing, Bobbett.Plummer@cms.hhs.gov.

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VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers,* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs),* include the following statement:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.