



Provider Inquiry Assistance

Payment for Repair, Maintenance and Servicing of Oxygen Equipment as a Result of the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 – JA6296

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Date Job Aid Revised: March 2, 2009

Effective Date: April 1, 2009

Implementation Date: April 6, 2009

Key Words MM6296, CR6296, R443OTN, Oxygen, Equipment, MIPPA

Contractors Affected

- Durable Medical Equipment Medicare Administrative Contractors (DME MACs)
- Regional Home Health Intermediaries (RHHIs)

Provider Types Affected Providers and suppliers submitting claims to Medicare DME MACs and/or RHHIs for repair, maintenance, and servicing of oxygen equipment provided to Medicare beneficiaries



Change Request (CR) 6296 provides instructions, regarding repair, maintenance, and servicing of oxygen equipment resulting from the implementation of Section 144(b) of the MIPPA.

Provider Needs to Know...

- The 36-month cap noted in MIPPA applies to stationary and portable oxygen equipment furnished on or after January 1, 2006.
- The 36-month cap may end as early as January 1, 2009, for beneficiaries using oxygen equipment on a continuous basis since January 1, 2006.
- The Centers for Medicare & Medicaid Services (CMS) has determined that for services furnished during calendar year 2009, it is reasonable and necessary to make payment for periodic, in-home visits by suppliers to inspect certain oxygen equipment and provide general maintenance and servicing after the 36-month rental cap.
- These payments only apply to equipment falling under Healthcare Common Procedure Coding System (HCPCS) codes E1390, E1391, E1392, and K0738, and only when the

supplier physically makes an in-home visit to inspect the equipment and provide any necessary maintenance and servicing.

- Payment may be made every 6 months, beginning 6 months after the 36-month rental cap (as early as July 1, 2009, in some cases). The allowed payment amount for each visit is equal to the 2009 fee for code E1340 (K0739 for dates of service on or after April 1, 2009) multiplied by 2, for the state in which the in-home visit takes place.
- Suppliers should use the HCPCS code for the equipment E1390, E1391, E1392, and/or K0738 along with the "MS" modifier in order to bill and receive payment for these maintenance and servicing visits.

Example

- If the supplier visits a beneficiary's home in Pennsylvania to perform the general maintenance and servicing on a portable concentrator, the supplier would enter E1392MS on the claim. The allowed payment amount would be equal to the lesser of the supplier's actual charge or two units of the allowed payment amount for K0739 in Pennsylvania.
- If the supplier visits the beneficiary's home to provide the periodic maintenance and servicing for a stationary concentrator (E1390 or E1391) and a transfilling unit (K0738), payment can be made for maintenance and servicing of both units (E1390MS or E1391MS, and K0738MS).
- If the supplier visits the beneficiary's home to provide the periodic maintenance and servicing for a portable concentrator (E1392), payment can only be made for maintenance and servicing of the one unit/HCPCS code (E1392MS).

Note: CMS will issue further instructions in the future, regarding continuation of these payments for dates of service on or after January 1, 2010.

New "K" Codes

- To distinguish between the repair or nonroutine service of beneficiary-owned DME and oxygen equipment, two new "K" codes are effective for claims with dates of service on or after April 1, 2009:
 - K0739 – Repair or Nonroutine Service for Durable Medical Equipment Other than Oxygen Equipment Requiring the Skill of a Technician, Labor Component, Per 15 Minutes; and
 - K0740 – Repair or Nonroutine Service for Oxygen Equipment Requiring the Skill of a Technician, Labor Component, Per 15 Minutes.
- The new non-covered code K0740 should be used by suppliers to indicate the labor associated with the repair of stationary or portable oxygen equipment.
- The two new codes (K0739, K0740) are not final and should not be used until the effective date of April 1, 2009.
- The existing E1340 HCPCS code is invalid for Medicare claims, effective April 1, 2009.

- The revised 2009 labor payment rates, provided in CR6297 (see Background section), map directly to the new K0739 code and will be used to pay claims for code K0739 with dates of service on or after April 1, 2009.

Denial of Claims

Medicare contractors will:

- Deny claims with dates of service on or after April 1, 2009 for HCPCS code K0740.
- Deny claims with dates of service on or after January 1, 2009, for claims received on or after April 6, 2009, for replacement parts billed using a HCPCS code and the "RB" modifier when the part is replaced in conjunction with the repair of oxygen equipment identified by HCPCS codes E0424, E0431, E0434, E0439, E1390, E1391, E1392, E1405, E1406, or K0738.

Background

- Section 144(b) of MIPPA repeals the transfer of ownership provision established by the Deficit Reduction Act of 2005 for oxygen equipment and establishes new payment rules and supplier responsibilities after the 36-month payment cap.
- Initial instructions related to implementation of these changes (CR6297) were issued as part of the January 2009 DME Prosthetics Orthotics & Supplies Fee Schedule update.
- The MLN Matters article related to CR6297 may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6297.pdf> on the CMS website.

Operational Impact

N/A

Reference Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6296.pdf> on the CMS website.

The official instruction (CR6296) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R4430TN.pdf> on the CMS website.