



Maintenance and Servicing Payments for Certain Oxygen Equipment after July 1, 2010 – JA6792

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Effective Date: July 1, 2010

Implementation Date: July 6, 2010

Key Words	MM6792, CR6792, R635OTN, Maintenance, Servicing, Oxygen
Contractors Affected	Regional Home Health Intermediaries (RHHIs) Part A/B Medicare Administrative Contractors (A/B MACs) Durable Medical Equipment MACs (DME MACs)
Provider Types Affected	Suppliers submitting claims to RHHIs, A/B MACs, and/or DME MACs for oxygen services provided to Medicare beneficiaries



CR6792 is a one-time notification that announces instructions regarding the payment for maintenance and servicing of oxygen equipment furnished for dates of service on or after July 1, 2010.

Maintenance and Servicing Fee Payment

Provider Needs to Know...

- CR6792 provides that (effective for oxygen equipment, other than stationary or portable gaseous or liquid oxygen equipment, furnished on or after July 1, 2010) a maintenance and servicing fee of \$66 is paid every 6 months, either beginning:
 - Six months after the 36th paid rental month; or
 - When the item is no longer covered under the supplier's or manufacturer's warranty (whichever is later).

Maintenance and Servicing Fee Annual Update

- The maintenance and servicing fee, which will be updated annually through program instructions that are based on the covered item update for DME, covers ALL maintenance and servicing through the following six months that are 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);
 - When the maintenance and servicing is performed during each 6-month period; or
 - How often the equipment must be maintained and serviced.

Maintenance/servicing Visit Requirement

- Suppliers must make at least one maintenance/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.

Example

- 36th monthly payment amount made for month ending July 31, 2010;
- 6-month period with no payment ends December 31, 2010;
- Maintenance and servicing payment may begin on January 1, 2011, provided warranty coverage ended on July 31, 2010, or earlier;
- Suppliers must make at least one in-home visit during January 2011; and
- Payment covers all maintenance and servicing through June 30, 2011;
- Second maintenance and servicing payment may be made on July 1, 2011;
- Suppliers must make at least one in-home visit during July 2011; and
- Payment covers all maintenance and servicing through December 31, 2011.

Note: Suppliers will not receive payment for maintenance and servicing of gaseous or liquid oxygen equipment (stationary or portable), or for maintenance and servicing of beneficiary-owned oxygen equipment.

Billing Guidance

Healthcare Common Procedure Coding System (HCPCS) Codes Suppliers Should Use

- Suppliers should use:
 - E1390, 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;
 - E1390 for maintenance and servicing for a beneficiary using a single delivery port stationary oxygen concentrator or portable concentrator, and for maintenance and servicing for beneficiaries renting a combination of single delivery port stationary oxygen concentrators and gaseous or liquid oxygen transfilling equipment;
 - E1391 for maintenance and servicing for a beneficiary using a dual delivery port stationary
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oxygen concentrator or for beneficiaries renting a combination of dual delivery port stationary oxygen concentrators and gaseous or liquid oxygen transfilling equipment;

- K0738 **only** in situations in which the beneficiary owns stationary oxygen equipment, but rents gaseous oxygen transfilling equipment; and
- E0433 **only** in situations in which the beneficiary owns stationary equipment but rents liquid oxygen transfilling equipment.

Note: Suppliers should use HCPCS code E1390 (and not E1392) for maintenance and servicing of portable oxygen concentrator equipment and bill the appropriate HCPCS code for the equipment or combination of equipment, as applicable, with the “MS” modifier.

What Suppliers Should Remember

- 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.

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 will not be made.

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

- Further, 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.
- RHHIs, MACs, or DME MACs will deny claims for the maintenance and servicing of beneficiary-owned oxygen equipment or equipment that are billed with HCPCS codes E0424, E0439, E0431, E0434, E1405, E1392 or E1406 and the “MS” modifier.
- They will also 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.

Codes Used When Denying Claims

- Contractors will use the following remittance advice reason and remark codes when denying these 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; and

- Remark Code N372: Only reasonable and necessary maintenance/service charges are covered.
- Contractors will assign group code CO (contractual obligation).
- Contractors will use the following Medicare Summary Notice messages for denied claims:
 - 8.28 - Maintenance, servicing, replacement, or repair of this item is not covered; and
 - 16.35 - You do not have to pay for this amount.

Background

- Section 1834(a)(5)(F)(ii)(III) of the Social Security Act provides for the payment of charges for reasonable and necessary maintenance of, and servicing of, oxygen equipment that suppliers furnish after the 36-month rental payment cap for parts and labor that are not covered by the supplier's or manufacturer's warranty.
- CR6716 (Continuation of Maintenance and Servicing Payments in CY 2010 for Certain Oxygen Equipment as a Result of the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008), which was released on November 2, 2009, provides instructions relating to the maintenance and servicing payments for oxygen equipment furnished through June 30, 2010.
- The related MLN Matters® article can be found at <http://www.cms.hhs.gov/mlnmattersarticles/downloads/MM6716.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6792.pdf> on the CMS website.
 The official instruction (CR6792) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R635OTN.pdf> on the CMS website.