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Revised and New Modifiers for Oxygen Flow Rate

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Note: This article was revised on April 2, 2018, to reflect the revised CR10158 issued on March 30. In the article, the CR release date, transmittal number, and the Web address of CR10158 are revised. All other information remains the same.

PROVIDER TYPES AFFECTED

This MLN Matters® Article is intended for providers and suppliers submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for oxygen services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Change Request (CR) 10158 revises and introduces new pricing modifiers for oxygen flow rate. Make sure your billing staffs are aware of these changes.

BACKGROUND

Medicare pays a monthly fee schedule amount for oxygen and oxygen equipment per beneficiary. For stationary oxygen equipment, this monthly fee schedule amount covers the oxygen equipment, contents and supplies and is subject to adjustment depending on the amount of oxygen prescribed (liters per minute (LPM)) and whether or not portable oxygen is also prescribed. The regulations at 42 CFR 414.226(e), and the Medicare Claims Processing Manual, of Chapter 20, Section 30.6.1 include the following payment rules regarding adjustments to the monthly payment amounts for oxygen and oxygen equipment based on the patient's prescribed oxygen flow rate:

1. If the prescribed amount of oxygen is less than 1 LPM, the fee schedule amount for stationary oxygen rental is reduced by 50 percent.

2. The fee schedule amount for stationary oxygen equipment is increased under the following conditions. If both conditions apply, MACs use the higher of either of the following add-ons. Your MAC may not pay both add-ons:

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a. Volume Adjustment - If the prescribed amount of oxygen for stationary equipment exceeds 4 LPM, the fee schedule amount for stationary oxygen rental is increased by 50 percent. If the prescribed liter flow for stationary oxygen is different than for portable or different for rest and exercise, MACs use the prescribed amount for stationary systems and for patients at rest. If the prescribed liter flow is different for day and night use, MACs use the average of the two rates.

b. Portable Add-on - If portable oxygen is prescribed, the fee schedule amount for portable equipment is added to the fee schedule amount for stationary oxygen rental.

The Medicare National Coverage Determinations Manual, Part 4, Chapter 1, Section 240.2.B (https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ncd103c1_Part4.pdf) indicates that a member of the MAC's medical staff should review all claims with oxygen flow rates of more than four liters per minute before payment can be made.

The Medicare Claims Processing Manual, Chapter 20, Section 130.6 describes the claims processing modifiers used to denote these adjustments:

- If the prescribed amount of oxygen is less than 1 LPM, suppliers use the modifier “QE”; Home Health Agencies (HHAs) use revenue code 0602. The monthly payment amount for stationary oxygen is reduced by 50 percent.

- If the prescribed amount of oxygen is greater than 4 LPM, suppliers use the modifier “QG”; HHAs use revenue code 0603. The monthly payment amount for stationary oxygen is increased by 50 percent.

- If the prescribed amount of oxygen exceeds 4LPM and portable oxygen is prescribed, suppliers use the modifier “QF”, HHAs use revenue code 0604. The monthly payment for stationary oxygen is increased by the higher of 50 percent of the monthly stationary oxygen payment amount, or the fee schedule amount for the portable oxygen add-on. (A separate monthly payment is not allowed for the portable equipment if the stationary oxygen fee schedule amount is increased by 50 percent.) Effective April 1, 2017, the modifier “QF” must be used with both the stationary and portable oxygen equipment codes.

In addition, CR9848, issued on March 3, 2017, and titled “Payment for Oxygen Volume Adjustments and Portable Oxygen Equipment” (review related article at https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM9848.pdf) provided instructions for MACs processing claims for payment of oxygen and oxygen equipment under the Medicare Part B benefit for durable medical equipment.

KEY POINTS

To assist in identifying the prescribed flow rate on the claim form, and to ensure appropriate use of modifiers in all cases based on the prescribed flow rate at rest (or at night or based on the average of the rate at rest and at night if applicable) in accordance with Federal regulations, the following three new pricing modifiers are added to the HCPCS file effective April 1, 2018:

1. QA - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is less than 1 liter per minute (LPM)

2. QB - Prescribed amounts of stationary oxygen for daytime used while at rest and nighttime use differ and the average of the two amounts exceeds 4 liters per minute (LPM) and portable oxygen is prescribed

3. QR - Prescribed amounts of stationary oxygen for daytime use while at rest and nighttime use differ and the average of the two amounts is greater than 4 liters per minute (LPM)

Additionally, the existing QE, QF, and QG modifiers are revised to clarify that the prescribed flow rate at rest is used in accordance with regulations at 42 CFR 414.226(e)(3). This section instructs that if the prescribed flow rate is different for the patient at rest than for the patient at exercise, the flow rate for the patient at rest is used.

Effective April 1, 2018, these modifiers are revised to read:

1. QE - Prescribed amount of stationary oxygen while at rest is less than 1 liter per minute (LPM)

2. QF - Prescribed amount of stationary oxygen while at rest exceeds 4 liters per minute (LPM) and portable oxygen is prescribed

3. QG - Prescribed amount of stationary oxygen while at rest is greater than 4 liters per minute (LPM)

Beginning April 1, 2018, claims for monthly oxygen volume adjustments must indicate the appropriate HCPCS modifier described below as applicable. Oxygen fee schedule amounts are adjusted as follows:

- If the prescribed amount of oxygen is less than 1 LPM, suppliers use either of the following modifiers with the stationary oxygen HCPCS code:

    - The modifier “QE”; HHAs use revenue code 0602. The monthly payment amount for stationary oxygen is reduced by 50 percent.

- The modifier “QA”; the monthly payment amount for stationary oxygen is reduced by 50 percent. This modifier is used when the prescribed flow rate is different for nighttime use and daytime use and the average of the two flow rates is used in determining the volume adjustment.

- If the prescribed amount of oxygen is greater than 4 LPM, suppliers use either of the following modifiers with the stationary oxygen HCPCS code:

  - The modifier “QG”; HHAs use revenue code 0603. The monthly payment amount for stationary oxygen is increased by 50 percent.
  - The modifier “QR”; HHAs use revenue code 0603. The monthly payment amount for stationary oxygen is increased by 50 percent.

- If the prescribed amount of oxygen is greater than 4 LPM and portable oxygen is prescribed, suppliers use either of the following modifiers with both the stationary and portable oxygen HCPCS code:

  - The modifier “QF”; HHAs use revenue code 0604. If the prescribed flow rate differs between stationary and portable oxygen equipment, the flow rate for the stationary equipment is used. The monthly payment for stationary oxygen is increased by the higher of 50 percent of the monthly stationary oxygen payment amount, or the fee schedule amount for the portable oxygen add-on. A separate monthly payment is not allowed for the portable equipment if the stationary oxygen fee schedule amount is increased by 50 percent. Effective April 1, 2017, the modifier “QF” must be used with both the stationary and portable oxygen equipment codes.

  - The modifier “QB”; HHAs use revenue code 0604. If the prescribed flow rate differs between stationary and portable oxygen equipment, the flow rate for the stationary equipment is used. The monthly payment for stationary oxygen is increased by the higher of 50 percent of the monthly stationary payment amount, or the fee schedule amount for the portable oxygen add-on. A separate monthly payment is not allowed for the portable equipment if the stationary oxygen fee schedule amount is increased by 50 percent. Effective April 1, 2018, the modifier “QB” must be used with both the stationary and portable oxygen equipment codes. The stationary and portable oxygen equipment QB fee schedule amounts will be added to the DMEPOS fee schedule file effective April 1, 2018.

The stationary oxygen QF and QB fee schedule amounts on the DMEPOS fee schedule file represent 100 percent of the stationary oxygen allowed fee schedule amount. The portable oxygen equipment add-on QF and QB fee schedule amount on the file by state represent the higher of:

1. 50 percent of the monthly stationary oxygen payment amount (codes E0424, E0439, E1390 or E1391); or

2. The fee schedule amount for the portable oxygen add-on (codes E0431, E0433, E0434, E1392 or K0738).

ADDITIONAL INFORMATION

The official instruction, CR10158, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4014CP.pdf.

If you have any questions, please contact your MAC at their toll-free number. That number is available at https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/.

DOCUMENT HISTORY

Date of Change	Description
April 2, 2018	This article was revised to reflect the revised CR10158 issued on March 30. In the article, the CR release date, transmittal number, and the Web address of CR10158 are revised. All other information remains the same.
February 14, 2018	Initial article released.

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