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Establish Pre-Payment Auto-denial Edits in Applicable States for DMEPOS Suppliers of Oxygen and Oxygen Equipment (DME MACs only)

Note: This article was updated on July 12, 2013, to reflect current Web addresses. This article was previously revised on April 21, 2008, to amend the last bullet point in the "Key Points" section. All other information remains the same.

Provider Types Affected

Medicare Durable Medical Equipment Prosthetic, Orthotics & Supplies (DMEPOS) suppliers who submit claims for Medicare payment for oxygen and/or oxygen related equipment to DME Medicare Administrative Contractors (DME MACs).

Key Points

- Presently, 38 states require licensure and/or certification to provide oxygen and/or oxygen related equipment. A table listing the licensure/certification requirements, if any, is at the end of this article.
- CR 5929 clarifies that Medicare DMEPOS suppliers who submit claims for Medicare payment for oxygen and/or oxygen related equipment must notify the National Supplier Clearinghouse (NSC) via the supplier enrollment process (using the CMS 855S application) and provide a copy of their state license and/or certification to the NSC.
- DME MACs are currently processing these claims from enrolled and approved DMEPOS suppliers without regard to the specialty identified and services to be provided on the enrollment application form (CMS-855S).
- CR5929 **requires** the National Supplier Clearinghouse (NSC) to **assign an oxygen specialty code** to all suppliers who have indicated they will be providing oxygen and/or oxygen related services on their CMS 855S enrollment application.
- In addition, this instruction requires DME MACs to **edit claims to look for the oxygen specialty code**, which will assure that those suppliers specifying the provision of oxygen and/or oxygen related products on their enrollment

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application and supplying the license/certification are the **only entities that will receive Medicare payment for such supplies in the applicable states**. The DME MACs will establish a **claims processing pre-payment auto-denial edit** in place to deny claims in those states where oxygen and/or oxygen related equipment must be provided by a supplier with oxygen specific licensure and/or certification and where Medicare files do not reflect such license/certification.

- The effective date for the specialty code annotation in Medicare files will be the date the NSC assigns the specialty code for newly enrolled DMEPOS suppliers or the date a DMEPOS supplier initially adds the specialty to their file via a CMS 855S Change of Information submission providing all required licensure/certification is valid. The effective date of the specialty code for existing DMEPOS suppliers will be the date the DMEPOS supplier added or enrolled the specialty with the NSC, providing all required licensure/certification is valid.
- DMEPOS suppliers who are on file with the NSC prior to April 1, 2008 as providing oxygen and/or oxygen related equipment do not need to submit a CMS 855S Change of Information as a result of this instruction.
- Any future oxygen and/or oxygen equipment claims submission by a DMEPOS supplier in a state where licensure/certification is required, where the DMEPOS supplier does not have the oxygen and/or oxygen equipment specialty code on file with the NSC will result in an investigation by the NSC.

Background

In the absence of national Medicare policy regarding who may bill and be paid for oxygen and/or oxygen related equipment, the National Supplier Clearinghouse (NSC) looks to state requirements. The Center for Medicare & Medicaid Services (CMS) regulations (see 42 CFR § 424.57(c)) require all DMEPOS suppliers wishing to bill Medicare meet all supplier standards. The standard in § 424.57(c)(1) requires suppliers to operate their business and furnish Medicare-covered items in compliance with all applicable Federal and State licensure and regulatory requirements. This claims processing edit will ensure that suppliers in the (currently) 38 states are in compliance with this requirement.

Additional Information

CR5929 is the official instruction issued to your DME MAC. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1493CP.pdf> on the CMS website.

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Should you have any questions regarding this issue, please contact your DME MAC on their toll-free number, which is available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The following is the list of the (currently) 38 states that have licensure requirements for oxygen and oxygen related equipment.

State				
AK				
AL		X		
AR	X			
AZ		X		
CA	X		X	"Drug Manufacturing License" issued by CA Department of Health; if wholesaler, permit from Board of Pharmacy is required
CO				
CT		X		
DC	X			"Certificate of Occupancy" issued by the Dept. of Consumer and Regulatory Affairs, Building and Land Regulation Administration Zoning Division, and if operating business from a principal residence, a "Home Occupation Permit" is also required, issued by the Dept. of Consumer and Regulatory Affairs, Building and Land Regulation Administration Zoning Division
DE				
FL	X	X		
GA				
HI		X		Pharmacy license – HI Dept. of Commerce and Consumer Affairs
IA		X		
ID	X			
IL	X			
IN				
KS		X	X	Distributor License required if supplying item/drug classified by FDA as a prescription device, issued by KS Board of Pharmacy

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State	DME Supplier License	Oxygen License	Other	Notes
KY		X		
LA		X		
MA			X	"Controlled Substances" license, issued by MA Dept. of Public Health, Division of Food and Drugs
MD	X	X		
ME		X		
MI				
MN		X		
MO	X			
MS	X			
MT				
NC	X			
ND		X		
NE	X	X		
NH		X	X	"Home Health Care Provider" license if respiratory therapy or services provided in patient's residence, issued by NH DHHS, Division of Public Health Services
NJ				
NM				
NV	X	X	X	Must have physician or respiratory therapist on staff, with "Medical License" or respiratory therapist license, both issued by NV State Board of Medical Examiners
NY				
OH	X	X		
OK		X	X	If transfilling oxygen, company must be registered and listed with the FDA and have validated registration letter on file
OR		X		
PA	X			
PR		X		
RI		X		
SC		X		Oxygen license not needed if supplier has "SC Pharmacy Permit"

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State	DME Supplier License	Oxygen License	Other	Notes
SD				
TN		X		
TX	X	X		
UT			X	"Retail Pharmacy" license required if supplying oxygen
VA	X	X		
VT				
WA				
WI		X		
WV				
WY		X		

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