

Fact Sheet: Helping Medicare Beneficiaries Access Oxygen Equipment

What does Medicare cover?

Medicare Part B covers oxygen equipment under the durable medical equipment (DME) benefit. DME is equipment that serves a medical purpose, can withstand repeated use, is appropriate for use in the home, and is likely to last for three years or more. Note that for Medicare to cover oxygen equipment, it must be primarily for use at home.

Many individuals use a **compressed oxygen system**, which usually includes:

- A stationary oxygen concentrator that draws in oxygen from the surrounding air. This often sits next to an individual's bed and is attached to a long hose and plugged in.
- Portable oxygen tanks that are usually replaced or refilled by the supplier.
- Some individuals opt for smaller, battery-operated portable oxygen concentrators.

Other individuals use **liquid oxygen systems**, which usually include:

- A reservoir of liquid oxygen kept at home.
- Portable tanks that are refilled using the reservoir.

In addition to the oxygen equipment itself, Medicare also covers a large variety of accessories, including tubing, masks, oxygen tents, humidifiers, and stands or racks. Suppliers should provide any accessories that an individual's doctor orders.

Accessing Medicare-covered oxygen equipment

Before an individual can begin the process of getting oxygen equipment, they must meet Medicare's coverage criteria:

1. They have been diagnosed with a severe lung disease that can be treated with oxygen therapy
2. Their blood gas levels meet specific criteria and testing requirements
3. Other treatments have failed or were ineffective

Step 1: Working with a provider

The first step for any individual looking to access Medicare-covered oxygen equipment is to see their provider, usually a pulmonologist, to get medical documentation and an order for the equipment.

The individual's provider should take these steps:

1. Prepare the medical record.

The beneficiary's provider must prepare a medical record that shows they meet Medicare's coverage criteria for oxygen therapy. Specifically, the provider must establish a medical record showing:

- Qualifying blood gas studies
- A clinical evaluation within 30 days prior to the physician's initial certification
- The patient's continued need and management of his/her oxygen equipment
- And, the method of oxygen delivery (such as a mask)

2. Sign a Detailed Written Order.

When the medical record is complete, the beneficiary's provider should sign and date a detailed written order (DWO) that was sent to them by the supplier. The DWO includes the specific instructions for the supplier, such as the requested accessories, brand of equipment, and type of oxygen.

To ensure Medicare coverage, it is crucial for providers and suppliers to complete the required paperwork in the correct order. If a provider has questions about the required medical documentation, they can use the following resources to learn more:

- **Supplier:** DME suppliers are trained by Medicare to understand the coverage criteria and make assessments to determine when someone qualifies for oxygen equipment. Providers can reach out to the supplier for help in understanding what documentation they need to supply and how to complete it correctly.
- **Medicare:** Medicare has created educational materials for providers that lay out the coverage criteria and documentation requirements for oxygen equipment.
- **Medicare Advantage Plan:** MA Plans process claims for oxygen equipment for their plan members. Providers can reach out to the plan to discuss coverage criteria, documentation requirements, and any other coverage-related questions. In addition, providers, suppliers, and plan members can all request pre-service organization determinations from the plan. An organization determination is the plan's decision about whether it will cover the oxygen

equipment. An individual or their provider can appeal an unfavorable organization determination.

Step 2: Working with a supplier

The second step for accessing Medicare-covered oxygen equipment is to find a supplier that is knowledgeable and communicative. Finding the right oxygen equipment supplier can help an individual avoid access problems.

If a beneficiary has **Original Medicare**, they should use a supplier that is Medicare-approved and takes assignment. Take assignment means the supplier accepts Medicare's approved amount as full payment. Beneficiaries pay the least if they use suppliers that take assignment. Visit www.medicare.gov/supplier to find Medicare-approved suppliers.

If a beneficiary has a **Medicare Advantage Plan**, they should use a supplier that is in-network for their plan. Contact a plan directly for a list of in-network suppliers.

Suppliers are expected to:

- Evaluate individuals for coverage, including acquiring the required medical documentation and assisting with appeals for coverage denials from Medicare or their MA Plan.
- Communicate with the individual's provider at the time of the initial order to secure the required medical documentation (Detailed Written Order)
- Communicate with the individual's provider after the initial order to acquire any needed recertifications and document continued need and use.
- Deliver an individual's supplies, repair or replace their equipment, and arrange for the same services if the individual travels or moves away from the supplier's service area.

A beneficiary's provider and supplier should work together to help them get their equipment, but sometimes there is a breakdown in communication. If this happens, individuals can:

- **Advocate:** The individual or their advocate can educate themselves on the coverage criteria and prior authorization process in order to reach out to the provider and suppliers to make specific, actionable requests.
- **Complain:** Suppliers should have grievance processes that individuals can use to try to escalate a problem internally.
- **Escalate:** Individuals in Original Medicare can contact 1-800-MEDICARE to file a complaint and ask that it be forwarded to the Medicare Ombudsman or Competitive Acquisition

Ombudsman. Individuals in an MA Plan can call member services at the plan, file a grievance with their plan, or file a complaint against their plan with 1-800-MEDICARE.

- **Choose a different provider or supplier:** Sometimes the easiest resolution is simply to find a different prescribing provider (perhaps one more familiar with helping their patients secure diabetes supplies) or supplier (perhaps one that specializes in diabetes supplies or a larger store that sells a large volume of diabetes supplies).

Oxygen equipment costs

Oxygen equipment is always rented in a five-year cycle, and a beneficiary never has the option to buy it.

- Medicare will pay the supplier a monthly rental fee for the **first 36 months**. The fee includes all equipment, oxygen, supplies, and maintenance. A beneficiary is responsible for 20% of each month's rental fee.
- **After the 36-month rental period**, a beneficiary pays no more rental fees, although the supplier still owns the equipment. The beneficiary keeps the equipment for up to 24 additional months. If they use oxygen tanks or cylinders, they must continue to pay a 20% coinsurance for oxygen each month. They will also pay a coinsurance for any needed maintenance during these additional 24 months.

At the end of five years, a beneficiary has the choice to either get new oxygen equipment from their supplier or to switch suppliers. If a beneficiary needs the oxygen equipment for fewer than five years, the supplier will take it back after they no longer need it.

Repairs and maintenance

Throughout the five-year rental period, the supplier must keep a beneficiary's oxygen equipment in good working condition. During the first 36 months of the rental period, the supplier must provide the beneficiary with supplies and maintenance free of charge. During the last 24 months, providers are allowed to bill the beneficiary for in-home maintenance visits every six months, and they are responsible for a 20% coinsurance.