

## The Department of Vermont Health Access Clinical Criteria

**Subject:** Home Oxygen and Oxygen Equipment

**Last Review:** June 13, 2022\*

**Past Revisions:** October 6, 2021, and January 1, 2020

**\*Please note: Most current content changes will be highlighted in yellow.**

### Description of Service or Procedure

Optimal oxygen therapy should include a patient centered approach to member and family education, initial testing of equipment in the home, appropriate equipment to meet the member's need, allow for travel and mobility, and member access to trained professional personnel. Clinicians should remain abreast of current federal requirements and new equipment.

Home oxygen use is indicated for conditions that may be expected to improve with oxygen therapy including the following (list may not be all inclusive):

- A severe lung disease e.g., chronic obstructive pulmonary disease (COPD), diffuse interstitial lung disease of (known or unknown etiology), cystic fibrosis (CF), bronchiectasis, or widespread pulmonary neoplasm  
OR
- Hypoxia-related symptoms or findings e.g., pulmonary hypertension, recurring congestive heart failure due to cor pulmonale, erythrocytosis, impairment of cognitive process, nocturnal restlessness, and morning headache)

Oxygen is available by:

- compressed gas
- liquid, or
- concentrated form taken from the air

Oxygen concentrators filter out other gases in the air and store only oxygen. Oxygen concentrators come in several sizes, including portable units. These devices use room air as a source of oxygen by separating the oxygen, concentrating it (over 94%) and then storing it. Oxygen concentrators do not require oxygen refills. They are powered by electricity; therefore, the patient/caregiver should have an alternate source of power in the event of a power outage.

Oxygen therapy should maintain adequate oxygen levels to the tissues and cells while avoiding oxygen toxicity (too much oxygen).



## **Disclaimer**

Coverage is limited to that outlined in Medicaid Rule or Health Care Administrative Rules that pertains to the member's aid category. If a prior authorization (PA) is required it is only valid if the member is eligible for the applicable item or service on the date of service.

## **Medicaid Rule**

Medicaid and Health Care Administrative Rules can be found at <https://humanservices.vermont.gov/rules-policies/health-care-rules/health-care-administrative-rules-hcar/adopted-rules>

- 7102.2 Prior Authorization Determination
- 4.101 Medical Necessity for Covered Services
- 4.104 Medicaid Non-Covered Services
- 4.209 Durable Medical Equipment

## **Coverage Position**

Oxygen and oxygen equipment may be covered for members:

- When the device is prescribed by a licensed medical provider, enrolled in the Vermont Medicaid program, operating within their scope of practice as described on the Vermont's Office of Professional Regulation's website\*, Statute, or rule who is knowledgeable regarding home oxygen therapy and who provides medical care to the member AND
- When the clinical criteria below are met.

\* Vermont's Office of Professional Regulation's website: <https://sos.vermont.gov/opr/>

## **Coverage Criteria**

Vermont Medicaid will follow Medicare Guidelines:

- Local Coverage Determination for Oxygen and Oxygen Equipment L33797 for services performed on or after 8/02/2020.  
<https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?LCDId=33797>
- Local Coverage Article Oxygen and Oxygen Equipment A52514 for services performed on or after 8/02/2020.  
<https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleId=52514>
- National Coverage Determination for Home Use of Oxygen 240.2:  
<https://www.cms.gov/medicare-coverage-database/view/ncd.aspx?NCDId=169>
  - Please note, National Coverage Determination 240.2 has been updated and includes the following:
    - CMS is removing NCD 240.2.2, ending coverage with evidence development for home use of oxygen to treat cluster headache, and allowing the MACs to make coverage determinations regarding the use of home oxygen and oxygen equipment for patients with cluster headaches (as allowed under Section D of the revised NCD 240.2)
    - The item/service description was updated to state "When used in the home, oxygen and oxygen equipment can make meaningful contributions to the treatment of

patients with both acute and chronic conditions who require the medical gas on either a short- or long-term basis.”

**Exceptions:**

1. Per Medicare, oximeters (E0445) and replacement probes (A4606) will be denied as non-covered because they are monitoring devices that provide information to physicians to assist in managing the member’s treatment.
  - Per the Vermont Medicaid DME Supplement provider manual, Vermont Medicaid will cover oximeters as a capped rental item and allow disposable replacement probes up to 6 per month.
2. Per Medicare, if the member elects not to receive new equipment after the end of the 5-year reasonable useful lifetime and if the supplier transfers title of the equipment to the member, accessories, then maintenance, and repairs are statutorily non-covered by Medicare. Contents are separately payable for member-owned gaseous or liquid systems.
  - Per the Vermont Medicaid DME Supplement provider manual, Vermont Medicaid elects to not allow member or itself to own oxygen equipment and supports the beginning of a new 36-month rental period.

**Home oxygen therapy is reasonable and necessary only if all of the following conditions are met for members who:**

- The treating practitioner has determined that the member has a severe lung disease or hypoxia-related symptoms that might be expected to improve with oxygen therapy, AND
- The member's blood gas study meets the criteria stated below, AND
- The qualifying blood gas study was performed by a treating practitioner or by a qualified provider or supplier of laboratory services, AND
- The qualifying blood gas study was obtained under the following conditions:
  - If the qualifying blood gas study is performed during an inpatient hospital stay, the reported test must be the one obtained closest to, but no earlier than 2 days prior to the hospital discharge date, OR
  - If the qualifying blood gas study is not performed during an inpatient hospital stay, the reported test must be performed while the member is in a chronic stable state – i.e., not during a period of acute illness or an exacerbation of their underlying disease, AND
- Alternative treatment measures have been tried or considered and deemed clinically ineffective.

The DVHA will require Certificate of Medical Necessity (CMN) or Letter of Medical Necessity (LMN) upon initial request. Annual face-to face visit is required. Recertification CMN (LMN) is required 12 months after initial certification for Group 1 and 3 months after initial certification for Group 2. Revised CMN (LMN) is required when the prescribed maximum flow rate changes from one category to another

Oxygen reimbursement is a bundled payment. All options, supplies and accessories are considered included in the monthly rental payment for oxygen equipment. Oxygen rental is billed using the appropriate code for the provided oxygen equipment. Separately billed options, accessories or supply items will be denied as unbundling.

Emergency or stand-by oxygen systems for members who are not regularly using oxygen will be denied as not reasonable and necessary since they are precautionary and not therapeutic in nature.

MACs may also allow members who are mobile in the home and would benefit from the use of a portable oxygen system in the home to qualify for coverage of a portable oxygen system either (1) by itself, or (2) to use in addition to a stationary oxygen system.

Oxygen contents are reimbursed with a monthly allowance covering all contents necessary for the month.

The reasonable useful lifetime (RUL) for oxygen equipment is 5 years. The RUL is not based on the chronological age of the equipment. It starts on the initial date of service and runs for 5 years from that date.

Early and Periodic Screening, Diagnostic and Treatment (EPSDT) exception: Vermont Medicaid will provide comprehensive services and furnish all Medicaid coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions, for Medicaid members under age 21.

Please note, Vermont Medicaid Clinical Criteria is reviewed based on available literature, evidence-based guidelines/standards, Medicaid rule and policy, and Medicare coverage determinations that may be appropriate to incorporate when applicable.

### **Clinical criteria for repeat service or procedure**

Follow current Medicare guidelines.

### **Type of service or procedure not covered (this list may not be all inclusive)**

- Angina pectoris in the absence of hypoxemia. This condition is generally not the result of a low oxygen level in the blood and there are other preferred treatments; or
- **Breathlessness** without cor pulmonale or evidence of hypoxemia. **Although intermittent oxygen use is sometimes prescribed to relieve this condition, it is potentially harmful and psychologically addicting; or**
- Severe peripheral vascular disease resulting in clinically evident desaturation in one or more extremities but in the absence of systemic hypoxemia. There is no evidence that increased partial pressure of oxygen (PO<sub>2</sub>) will improve the oxygenation of tissues with impaired circulation.
- Terminal illnesses **unless they affect the ability to breathe.**
- Topical hyperbaric oxygen chamber (A4575).
- Topical oxygen delivery systems (E0446).
- Accessories, including but not limited to, trans-tracheal catheters (A4608), cannulas (A4615), tubing (A4616), mouthpieces (A4617), face tent (A4619), masks (A4620, A7525), oxygen conserving devices (A9900), oxygen tent (E0455), humidifiers (E0555), nebulizer for humidification (E0580), regulators (E1353), and stand/rack (E1355) are included in the allowance for rented oxygen equipment. The supplier must provide any accessory ordered by the physician.

### **Coding guidelines**

Follow current Medicare coding guidelines.

## References

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*This document has been classified as public information.*