



State of California-Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

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N.L.: 01-0107
Index: Benefits
Supercedes N.L.: 47-1191

TO: CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM COUNTY ADMINISTRATORS, MEDICAL CONSULTANTS, STATE CHILDREN'S MEDICAL SERVICES (CMS) BRANCH STAFF, AND REGIONAL OFFICE STAFF

SUBJECT: REVISED GUIDELINES FOR AUTHORIZATION OF OXYGEN, OXYGEN DELIVERY EQUIPMENT, AND RELATED SUPPLIES

I. INTRODUCTION

- A. Rental or purchase of an oxygen delivery system is a benefit of the CCS program for CCS eligible clients regardless of payer source when it is determined to be necessary to treat or ameliorate the CCS medically eligible condition. Oxygen delivery equipment is considered durable medical equipment (DME). Medical supplies for oxygen delivery equipment and gaseous or liquid oxygen tank refills are also benefits of the program. The CCS program requires prior authorization of all services including oxygen delivery equipment, related medical supplies and oxygen tank refills.
- B. The Medi-Cal Program has issued revised Healthcare Common Procedure Coding System (HCPCS) codes for conformance with the Health Insurance Portability and Accountability Act (HIPAA) which requires the Department to utilize uniform national procedure codes. The code revisions, code modifiers, and regulations for authorization of oxygen and oxygen equipment become effective January 1, 2007. There is no implementation grace period.
- C. The purpose of this numbered letter (N.L.) is to provide CCS staff with authorization guidelines, and coding instructions for authorization of these items consistent with the new Medi-Cal regulations and code revisions. These changes were published in the November Medi-Cal Allied Health Provider

Bulletin and will be incorporated into the Medi-Cal Provider Manual. This Provider Bulletin is available at the Medi-Cal website, www.Medi-Cal.ca.gov. This CCS Numbered Letter supercedes N.L.: 47-1191.

II. BACKGROUND and EQUIPMENT

Oxygen may be delivered to a client from gaseous tanks, a liquid oxygen tank, or an electric oxygen concentrator. The following are the oxygen delivery systems available for providing oxygen in the home:

- A. Gaseous Systems: These are available as a stationary or portable tank (cylinder), and come with a regulator, flowmeter, humidifier, nebulizer, cannula or mask and tubing. Tanks can be refilled only by an oxygen vendor. A stationary cylinder, depending on size, lasts from 25-60 hours on two (2) liters per minute (LPM) flow rate. The portable cylinders come in capacities from 115 to 500 liters, weigh 10-14 pounds, and last 3-5 hours at 2 LPM, depending on the size of the cylinder. These systems may be purchased or rented. However, even if the oxygen system is purchased, the cylinders remain the property of the supplier. The gaseous refills are included in the monthly rental of the system or are purchased separately if the system is owned by the client (see Implementation Section C.2).
- B. Oxygen Concentrator: This device electrically generates oxygen of approximately 98 percent concentration from room air. The usual concentrator is considered stationary, but is on wheels and can be wheeled from room to room and occasionally transported in a vehicle if necessary (there is only limited emergency battery mode). It weighs 35-50 lbs. The concentrator is designed for clients who require a flow rate of up to five liters per minute, and who are homebound or have minimal portability needs. The cost to the client for electricity is a consideration with an oxygen concentrator. Rental of this system includes the humidifier, tubing, masks and cannula, and a portable gaseous oxygen tank for emergency use (power failure, etc.). If portable oxygen is required for regular client activities, a portable gaseous or liquid system must be authorized separately.

Recently, portable oxygen concentrators have become available, but these do not deliver 98 percent oxygen (some are as low as 30 percent) and many have very limited flow rate selections. Portable concentrators run on AC or DC and although they weigh between 10-20 lbs, they are not intended to be continuously carried around during activities. For these reasons, the portable systems available today are not well suited to pediatric clients.

Both types of concentrators may be rented, but only the stationary concentrator may be purchased when purchase is requested by the vendor.

- C. Liquid Oxygen Systems: Oxygen is liquid when stored in a container under very high pressure, and vaporizes at room temperature when supplied via tubing to a patient. The liquid oxygen containers (cylinders) are available in both portable and stationary sizes. A portable system includes the portable liquid oxygen container, stationary liquid oxygen supply reservoir for refilling the portable container, humidifier, flowmeter, cannula or mask, tubing and a carrying bag. A portable cylinder weighs as little as 3.5 lbs and can last up to about 7 hours at 2 LPM, depending on cylinder size. It is usually used in conjunction with a stationary gaseous system or a concentrator for continuous home use. However large capacity stationary liquid cylinders for continuous use are also available. This system may be difficult to calibrate to accurately deliver flow of less than 1 LPM.
- D. Other Oxygen Related Accessories and DME, and Gaseous and Liquid Refills for Owned Equipment - Coding instructions for authorization of these items have not changed (see Attachment 2).

III. POLICY

The following CCS policy is effective for dates of service on or after January 1, 2007.

- A. Oxygen, oxygen delivery systems and related supplies are a CCS benefit for CCS clients when medically necessary to treat or ameliorate the CCS-eligible medical condition.

- B. The initial request for authorization of oxygen shall be from the CCS SCC or the CCS approved physician authorized to treat the client's CCS-eligible medical condition for which oxygen is required. This will usually be a CCS approved pulmonologist working in conjunction with a pulmonary SCC. Prescriptions for continuation of oxygen may come from the CCS approved specialty physician or the CCS approved physician authorized to provide local care in conjunction with the CCS SCC. Each client must receive a full-evaluation by the appropriate CCS SCC team at least annually.
- C. A physician's prescription for oxygen, which states the specific flow rate in liters per minute (LPM) and the hours of usage prescribed, must be submitted with the request for authorization. "PRN" oxygen flow rate prescriptions are not acceptable under the new HCPCS coding regulations. A "PRN" oxygen flow rate may be interpreted to mean "less than 1 LPM".
- D. Oxygen, oxygen delivery equipment, and related medical supplies are not separately authorizable for clients who reside in a pediatric subacute care facility (Title 22, CCR, Section 51511), but are separately authorizable for clients residing in an Intermediate Care Facility for the Developmentally Disabled-Nursing (ICFDD-N) (Title 22, CCR, Section 51510.3).
- E. Documentation required to be submitted with the request for initial or continuing authorization must include all of the following:
 - 1. Report of client evaluation by the CCS approved specialist physician authorized to provide care for the CCS eligible medical condition for which oxygen is prescribed, or the CCS SCC team evaluation within the previous 3 months.
 - 2. Documentation of measurement of client's pO₂ by the approved physician or SCC by oximetry or other method, within the previous three months, which indicates necessity for oxygen supplementation. Report of oximeter readings by caregiver using home oximeter are not acceptable.
 - 3. Current physician's prescription indicating the specific flow rate in liters per minute and the hours per day of oxygen usage from the authorized physician as stipulated in paragraph III-C above. "PRN" orders without prescribed flow rate cannot be authorized.

4. Designation of type of stationary delivery system(s) being requested and indicating whether a portable system is necessary for activities outside of the home. The choice of the oxygen delivery system shall be determined by the CCS approved physician based on the oxygen flow rate, hours per day the oxygen is prescribed, and the mobility of the client outside of home.
- F. Authorization for rental of an oxygen delivery system shall be issued for a specified period of time not to exceed 12 months.
- G. A portable system may be authorized for a client who requires oxygen at home only part-time. A portable system may be authorized in addition to a stationary system for a client who is not homebound and requires oxygen for activities outside of the home. Rental of an oxygen concentrator includes rental of a portable gaseous system for emergency back-up.
- H. CCS shall authorize necessary routine servicing for all purchased oxygen delivery equipment as well as repairs for owned equipment that is no longer covered by the manufacturer warranty. Servicing shall be performed in the home if CCS has authorized rental of a ventilator or other frequently-serviced respiratory items for the client. Otherwise, the client must usually return the owned equipment to the vendor for servicing. All servicing and repairs for rented equipment is included in the rental reimbursement.
- I. Oxygen delivery equipment may be purchased or rented, with the exception of a portable oxygen concentrator which can be rented only and a stationary oxygen concentrator which can be purchased only upon vendor request. Rental shall be authorized when the need is expected to be short-term (less than six months) or the duration of need is uncertain.
- J. Supplies required for the administration of oxygen (including tubing, cannula, mask, humidifier) are a CCS benefit and may be authorized for purchase when the oxygen delivery system is owned by the client. These are not separately authorizable when the system is rented.

IV. IMPLEMENTATION

- A. Implementation instructions in sections B and C below and utilizing the revised HCPCS coding system are effective only for dates of service on or after January 1, 2007.

1. There is no implementation grace period. Claims submitted for dates of service on or after January 1, 2007 using the old coding system will be denied.
2. Previously issued authorizations for oxygen delivery equipment or oxygen refills which include dates of service on or after January 1, 2007, may need to be re-issued (with an end-date of 12/31/06, and new authorizations issued effective 1/1/07) or modified to allow claiming under the new coding system.
3. Authorizations issued retroactively for dates of service prior to the implementation date must be issued under the old coding system, and a separate authorization given utilizing the revised coding system for the dates on or after the implementation date.

B. Authorizations for rental of equipment:

1. Definition of UNIT: "One unit of oxygen" has been redefined as equal to one month's supply regardless of the quantity of oxygen (flow rate) required to meet the needs of the client. The units (months) being authorized must be stipulated when authorizing rental of any of the delivery systems (See Attachments 1, 2) or purchase of oxygen contents for a system that is owned. No further designation of quantities is required.
2. New Modifiers: There are four modifiers which designate the quantity of oxygen being utilized by the client and whether a portable system is prescribed in addition to a stationery system. One of these modifiers must be applied to the HCPCS code for the rental of a stationary gaseous system (E0424), a liquid system (E0439), or a stationary oxygen concentrator (E1390). They do not apply to rental of a portable gaseous system.

<u>Prescribed Quantity of Oxygen</u>	<u>Modifier</u>
Less than one LPM	QE
One to four LPM	RR
Greater than four LPM and a portable system is also prescribed**	QF**
Greater than four LPM and a portable system is <i>not</i> prescribed	QG

**When the highest flow rate is prescribed and both a stationary and portable system are requested (modifier QF), the provider will be reimbursed for only one of the systems, not both, as is outlined in the Provider Bulletin referenced above. However both systems must be authorized on the SAR as separate line items.

NOTE: Modifier "RR" retains its previous function to designate authorization of rental of all other types of DME. The new use as defined in the table above to indicate oxygen flow rates applies ONLY to the codes as stated above and listed in Attachment 1.

3. If, after appropriate requests are made for additional documentation to support the request, the CCS case manager is still unable to obtain the specific flow rate prescribed by the physician, (i.e. the prescription lacks a flow rate or states "prn", (see section III.C above), modifier "QE" shall be designated for equipment rental.

C. Authorizations for purchase of equipment and gaseous refills for owned equipment:

1. The modifier "NU" will be applied to the HCPCS code of any oxygen delivery system being purchased. No other modifier applies.
2. When authorizing purchase of gaseous or liquid refills for a client whose equipment is owned, the quantities of oxygen are authorized using the new definition of "unit" described above. No further designation of gaseous or liquid quantities or volumes is required.
3. For details on codes for these refills see Attachment 2.

Note: CCS policy on the timeline for action on requests for authorization of services was promulgated in N.L.: 20-0997, dated September 10, 1997, as follows:

Within five working days from the receipt of a request for service by the CCS program, the medical consultant/designee must decide whether to approve, deny, or modify a request for CCS-eligible client or defer the request for additional information.

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For questions regarding the information in this N.L. please contact your CCS Regional Office Medical Consultant.

Original Signed by Marian Dalsey, M.D., M.P.H.

Marian Dalsey, M.D., M.P.H., Chief
Children's Medical Services Branch

Attachment

SYSTEM:		Description & Components	Length of Supply @ 2 LPM	HCPCS Code	Modifier**
Stationary Gaseous	Rental	Stationary (H) tank, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing.	25-60 hours depending on tank size.	E0424	QE, RR, QF or QG**
		Tank stand is separately authorized		E1355	
	Purchase	Same as above for initial purchase.	Same	E0425	NU
		Tank stand is separately authorized		E1355	
Portable Gaseous	Rental	Portable tank, regulator, flowmeter, humidifier, cannula or mask, and tubing.	3-6 hours depending on tank size.	E0431	RR
		Cart is authorized separately.		E1355	
	Purchase	Same as above for initial purchase.	Same	E0430	NU
		Cart is authorized separately.		E1355	
Stationary Liquid	Rental	Stationary container, contents indicator, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing.	Varies depending on size	E0439	QE, RR, QF or QG**
	Purchase	Same as above for initial purchase. See N.L. section IV.C for purchase of refills	Same	E0440	NU
Portable Liquid	Rental	Portable container, stationary supply reservoir, humidifier, flowmeter, refill adaptor, contents gauge, cannula or mask, tubing.	7-30 hours depending on size	E0434	RR
	Purchase	Same as above for initial purchase. See N.L. section IV.C for purchase of refills	Same	E0435	NU
Stationary Concentrator	Rental	Electric. Concentrates room air to 85% or greater O2 at set flow rate. Rental includes all necessary supplies, set-up & servicing, and emergency port. gaseous system.	N/A	E1390	QE, RR, QF or QG**
		Oxygen concentrator, same as above but dual delivery ports.	N/A	E1391	QE, RR, QF or QG**
	Purchase	Electric. Concentrates room air to 85% or greater O2 at set flow rate. Rental includes all necessary supplies, set-up & servicing, and emergency port. gaseous system. See N.L. Section III.I.	N/A	E1390	NU
		Oxygen concentrator, same as above but dual delivery ports. See N.L. Section III.I.	N/A	E1391	NU
Portable Concentrator	Rental only	See N.L. Section II B.	N/A	E1392	RR
**Modifiers:	QE - Less than 1 LPM RR - 1 to 4 LPM		QF - Greater than 4 LPM and portable system is prescribed QG - greater than 4 LPM and portable system not prescribed		

Other Oxygen Related Accessories and DME
Gaseous and Liquid Refills for Owned Equipment

Accessories		
Description	HCPCS Code	Comments
Cannula, nasal	A4615	purchase as a replacement item only when the oxygen delivery system is owned (not allowed with an initial purchase)
Face Tent	A4619	
Variable concentration mask	A4620	
Humidifier, durable, glass or autoclavable plastic bottle type, for use with regulator or flowmeter	E0555	
Regulator	E1353	

Refills		
Description	HCPCS Code	Comments
Oxygen contents, gaseous (for use with owned gaseous stationary systems or when both a stationary and portable gaseous system are owned) one month's supply = one unit	E0441	purchase only when the oxygen delivery system is owned
Oxygen contents, liquid (for use with owned liquid stationary systems or when both a stationary and portable liquid system are owned) one month's supply = one unit	E0442	
Portable oxygen contents, gaseous (for use only with portable gaseous systems when no stationary gas or liquid system is used) one month's supply = one unit	E0443	
Portable oxygen contents, liquid (for use only with portable liquid systems when no stationary gas or liquid system is used) one month's supply = one unit	E0444	