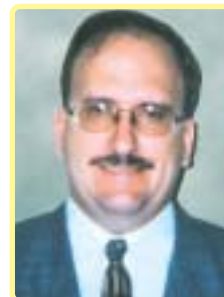


## ISSUES TO CONSIDER WITH PATIENT'S OWNING THEIR OXYGEN SYSTEM

by James Stegmaier, RRT-NPS, RPFT, CCM



In the final months of 2005 Congress passed legislation titled the Deficit Reduction Act of 2005 (DRA) (Public Law 109-171). The compensation for home oxygen therapy under Medicare was changed by this legislation by amending part B of title XVIII of the Social Security Act. The new reimbursement model for home oxygen therapy is one where a cap comes into play after thirty-six months of rental services. This became effective January 1, 2006. After thirty-six months of rental, the equipment automatically becomes the *property* of the patient.

There are several issues generated with this regulation. Prior to the DRA, home care organizations carried a twenty four hour per day, seven days a week responsibility for the home oxygen system. Once a patient owns his oxygen equipment it becomes unclear as to the home providers' responsibilities to assist with equipment issues. It is also currently unclear as to what Medicare's position is if a patient who owns an oxygen system requires a different system to meet their needs perhaps because of clinical changes in their condition.

Home durable medical equipment capping reimbursement under Medicare after a specific period of time is not new to the industry. Hospital beds, wheelchairs and aerosol compressors are examples of items which historically have been reimbursed under a capped reimbursement program. The capped program

for these items is changing as well under the DRA. Under the old system these item would be rented for ten months. At the tenth month of rental the patient would be given the choice to either purchase the item or continue to rent it. If the purchase option was selected Medicare would continue to reimburse for an additional three months and then the product was considered purchased and the title of the equipment would transfer to the patient. If the patient chose to continue to rent the durable medical equipment, Medicare would reimburse for an additional five months for a total of fifteen months and would allow one rental payment every six months to cover routine maintenance and servicing. The reimbursement for an item was approximately ten percent of the purchase price for the first three months and seven and one half percent for the remaining rental months. Under the Deficit Reduction Act the option to continue to rent a product is eliminated and all capped rental items except oxygen become the property of the patient after the thirteenth month of rental.

The transition of noncomplex durable medical equipment which does not require routine servicing or maintenance from rental to purchase has generally not been an issue for the Medicare patient. However, home oxygen therapy services *do* require routine maintenance such as purity testing, internal filter changes and compressor rebuilding. Oxygen concentrators, for example, require the purity of the oxygen being delivered to the patient be analyzed at specific intervals based upon each manufacturer's guidelines. Generally, concentrator maintenance for purity testing can be as frequent as every ninety days or as little as once per year if the concentrator has a built in oxygen analyzer. Medicare states that they will reimburse for maintenance and repair but have also said that they will inform the industry at a "future date" as to how they will handle *maintenance*.

The clinical and lifestyle needs of the COPD patient are dynamic. A long term oxygen patient's ambulatory needs change as their clinical condition changes. There currently is no policy on what would happen if a patient's clinical condition changed resulting in the oxygen system purchased under Medicare being no longer able to meet their clinical needs.

Lifestyle needs of the patient are important to consider as well. Technology is constantly providing new alternatives such as systems which fill compressed gas cylinders in the patient's residence or portable oxygen concentrators operating on direct current, alternating current or batteries. Certain portable oxygen concentrators are now approved by the Federal Aviation Administration for utilization on commercial aircraft. And of course, it is difficult to predict what a patient's lifestyle needs will be in the future as well as what new technological advances might be available to meet those needs. It is undetermined at this time what Medicare's position will be on replacing a purchased oxygen system based upon changes in a patient's lifestyle.

Complicating this issue further is the current reimbursement structure for home oxygen therapy. Medicare payment is split

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