

To:
Home Health
Agencies
Hospice Providers
Individual Medical
Supply Providers
Institutes for
Mental Disease
Providers
Medical Equipment
Vendors
Nursing Homes
Pharmacies
HMOs and Other
Managed Care
Programs

Wisconsin Medicaid revises policies for oxygen-related services

Effective for dates of service (DOS) on and after July 1, 2003, Wisconsin Medicaid has revised its policies for oxygen-related services, including:

- Reimbursement.
- Claim components.
- Prior authorization.

Reimbursement

Effective for dates of service (DOS) on and after July 1, 2003, Wisconsin Medicaid has revised its reimbursement method for oxygen-related services. Under the revised method, claims submitted for oxygen equipment rental and accessories will be reimbursed at a single daily rate. Oxygen contents will be reimbursed at a monthly rate.

Providers should note the following changes to oxygen-related services reimbursement:

- Oxygen content services will be reimbursable only for recipient-owned systems.
- Reimbursement for rented systems (including portable systems) procedure codes will now include oxygen contents.

Note: Reimbursement for rented systems is based on the prescribed flow rate and is indicated on the claim using a modifier. Refer to the “Modifiers” subsection of this *Wisconsin Medicaid and BadgerCare Update* for complete information.

Claim components

Providers will be required to indicate appropriate procedure codes, modifiers, and units of service on claims for oxygen-related services.

Allowable procedure codes

Effective for DOS on and after July 1, 2003, Wisconsin Medicaid will reimburse only for Healthcare Common Procedure Coding System (HCPCS) procedure codes for oxygen-related services listed in the Attachment of this *Update*. Some of these procedure codes replace currently used local procedure codes (W1030-W6864) for oxygen-related services. Wisconsin Medicaid will no longer reimburse services for any of the local “W” oxygen-related procedure codes for DOS on and after July 1, 2003. Providers must use the appropriate HCPCS procedure code that describes the service provided.

Nonallowable procedure codes

Wisconsin Medicaid no longer allows separate reimbursement for the following procedure codes, for which there are no replacement codes:

- Oxygen conserver (procedure code W1026).
- Respo cart (procedure code W6787).

Modifiers

Effective for DOS on and after July 1, 2003, Wisconsin Medicaid will require the following national modifiers to be used with procedure codes for rental stationary gaseous, liquid systems or with concentrators to indicate the prescribed flow rate:

- “QE” — prescribed amount of oxygen is less than one liter per minute (reimbursement is 50% of maximum allowable fee).
- No modifier — prescribed amount of oxygen is from one to four liters per minute (reimbursement is the full maximum allowable fee).
- “QG” — prescribed amount of oxygen is greater than four liters per minute (reimbursement is 150% of maximum allowable fee).

Providers should indicate the appropriate modifier based on the actual oxygen flow rate and the physician’s prescription. Wisconsin Medicaid requires these modifiers to be used for prior authorization (PA) requests and claims, as appropriate.

Units of service

Effective for DOS on and after July 1, 2003, providers should indicate the number of oxygen equipment rental or oxygen content service units. For oxygen equipment rental, one unit of service is equal to *one day’s use*, with only one unit allowed per DOS. For oxygen content service units, one unit of service is equal to a

one-month supply, consistent with the HCPCS code descriptions.

Copayments

Wisconsin Medicaid requires recipient copayments for purchased oxygen systems and oxygen contents on recipient-owned systems. Refer to the Attachment for individual copayments for specific procedure codes. There is no copayment for rented systems.

Prior authorization

Services requiring prior authorization

Under the new policy, PA will be required for all oxygen-related services covered by these procedure codes, as follows:

- All rented portable and stationary gaseous, liquid systems or concentrators will require PA after 30 days of use.
- All oxygen content procedure codes will require PA after 30 days of use.
- All portable and stationary oxygen systems for purchase will require PA with the initial request.

Refer to the following for rented system PA effective dates:

- Procedure codes E1405 and E1406, which currently require PA with the initial request, will require PA after 30 days of use under the new policy, effective for DOS on and after *July 1, 2003*.
- Procedure code E0550, which currently requires PA with the initial request, will require PA after 60 days of use under the new policy, effective for DOS on and after *July 1, 2003*.
- Procedure codes E0424, E0431, E0434, and E0439, which currently require PA after 60 days of use, will require PA after 30 days of use under the new policy, effective for DOS on and after *September 1, 2003*.

Providers should indicate the appropriate modifier based on the actual oxygen flow rate and the physician’s prescription.

Wisconsin Medicaid requires the new national modifiers to be used as appropriate for PA requests for DOS on and after July 1, 2003.

Current, approved prior authorization requests

Providers will not need to amend their current, approved PA requests. Providers should submit claims for medically necessary services for which they already have current, approved PA requests, until all services granted on the PA have been billed and reimbursed or until the PA has expired.

New prior authorization requests

Wisconsin Medicaid requires the new national modifiers to be used as appropriate for PA requests for DOS on and after July 1, 2003.

Providers should use the current oxygen concentrator PA guidelines until new guidelines are published. The current guidelines were published in the February 1995 *Update* (95-3), titled “Respiratory Care Equipment — Changes to Policy and Prior Authorization” which is located on the Wisconsin Medicaid Web site at www.dhfs.state.wi.us/medicaid/.

Information regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at www.dhfs.state.wi.us/medicaid/.

ATTACHMENT

Covered oxygen-related services

Refer to the following table for oxygen-related procedure codes, effective for dates of service (DOS) on and after July 1, 2003.

Procedure code	Replaces code(s)	Description	Max fee	Modifier	Type of service	Copay	PA required?	Reimbursable in a nursing home?	Provider type*	Place of service code**	Restrictions
E0424		Stationary compressed gaseous oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing	\$5.35	QE (less than one liter per minute)	R (rental)		Yes, after 30 days, effective 9/1/03	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	0, 3, 4, 7, 8	Includes contents. Not separately reimbursable on same DOS as E0441, E0442, E0443, or E0444.
			\$10.69	None (one to four liters per minute)							
			\$16.04	QG (more than four liters per minute)							
E0425		Stationary compressed gas system, purchase; includes regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing	\$132.63		P (purchase)	\$3.00	Yes	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	
E0430		Portable gaseous oxygen system, purchase; includes regulator, flowmeter, humidifier, cannula or mask, and tubing	\$287.15		P	\$3.00	Yes	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	
E0431		Portable gaseous oxygen system, rental; includes portable container, regulator, flowmeter, humidifier, cannula or mask, and tubing	\$7.78		R		Yes, after 30 days, effective 9/1/03	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	0, 3, 4, 7, 8	Includes contents. Not separately reimbursable on same DOS as E0441, E0442, E0443, or E0444.

*Provider types: 24 — Federally Qualified Health Centers, 26 — Pharmacies, 44 — Home Health Agencies, 54 — Medical Equipment Vendors, 58 — Individual Medical Supply Vendors, 64 — Institutes for Mental Disease Providers, 79/80 — Nursing Homes, 95 — Hospice Providers.

**Place of service codes: 0 — Other, 3 — Office, 4 — Home, 7 — Nursing Home, 8 — Skilled Nursing Facility.

Procedure code	Replaces code(s)	Description	Max fee	Modifier	Type of service	Copay	PA required?	Reimbursable in a nursing home?	Provider type*	Place of service code**	Restrictions
E0434		Portable liquid oxygen system, rental; includes portable container, supply reservoir, humidifier, flowmeter, refill adaptor, contents gauge, cannula or mask, and tubing	\$7.78		R		Yes, after 30 days, effective 9/1/03	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	0, 3, 4, 7, 8	Includes contents. Not separately reimbursable on same DOS as E0441, E0442, E0443, or E0444.
E0435		Portable liquid oxygen system, purchase; includes portable container, supply reservoir, flowmeter, humidifier, contents gauge, cannula or mask, tubing, and refill adapter	\$1,162.91		P	\$3.00	Yes	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	
E0439		Stationary liquid oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing	\$4.67	QE (less than one liter per minute)	R		Yes, after 30 days, effective 9/1/03	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	0, 3, 4, 7, 8	Includes contents. Not separately reimbursable on same DOS as E0441, E0442, E0443, or E0444.
			\$9.33	None (one to four liters per minute)							
			\$14.00	QG (more than four liters per minute)							
E0440		Stationary liquid oxygen system, purchase; includes use of reservoir, contents indicator, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing	\$447.26		P	\$3.00	Yes	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	

*Provider types: 24 — Federally Qualified Health Centers, 26 — Pharmacies, 44 — Home Health Agencies, 54 — Medical Equipment Vendors, 58 — Individual Medical Supply Vendors, 64 — Institutes for Mental Disease Providers, 79/80 — Nursing Homes, 95 — Hospice Providers.

**Place of service codes: 0 — Other, 3 — Office, 4 — Home, 7 — Nursing Home, 8 — Skilled Nursing Facility.

Procedure code	Replaces code(s)	Description	Max fee	Modifier	Type of service	Copay	PA required?	Reimbursable in a nursing home?	Provider type*	Place of service code**	Restrictions
E0441	W1030, W1040, W1045, W1050, W1066, W1067, W6777	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 = 1 unit	\$169.12		P	\$3.00	Yes, after 30 days	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	For recipient-owned systems only.
E0442	W6864	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 = 1 unit	\$169.12		P	\$3.00	Yes, after 30 days	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	For recipient-owned systems only.
E0443	W1030, W1040, W1045, W1050, W1066, W1067, W6777	Portable oxygen contents, gaseous (for use only with portable gaseous systems when no stationary gas or liquid system is used), one month's supply = 1 unit	\$169.12		P	\$3.00	Yes, after 30 days	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	For recipient-owned systems only.
E0444	W6864	Portable oxygen contents, liquid (for use only with portable liquid systems when no stationary gas or liquid system is used), one month's supply = 1 unit	\$169.12		P	\$3.00	Yes, after 30 days	No	24, 26, 44, 54, 58, 64, 95	0, 3, 4	For recipient-owned systems only.
E0455		Oxygen tent, excluding croup or pediatric tents	\$1,014.65		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
			\$1.11		R		Yes, after 60 days				

*Provider types: 24 — Federally Qualified Health Centers, 26 — Pharmacies, 44 — Home Health Agencies, 54 — Medical Equipment Vendors, 58 — Individual Medical Supply Vendors, 64 — Institutes for Mental Disease Providers, 79/80 — Nursing Homes, 95 — Hospice Providers.

**Place of service codes: 0 — Other, 3 — Office, 4 — Home, 7 — Nursing Home, 8 — Skilled Nursing Facility.

Procedure code	Replaces code(s)	Description	Max fee	Modifier	Type of service	Copay	PA required?	Reimbursable in a nursing home?	Provider type*	Place of service code**	Restrictions
E0550		Humidifier, durable for extensive supplemental humidification during IPPB treatments or oxygen delivery	\$536.72		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
			\$2.22		R		Yes, after 60 days				
E0555		Humidifier, durable, glass or autoclavable plastic bottle type, for use with regulator or flowmeter	\$26.84		P	\$2.00	Yes	No	24, 26, 44, 54, 58	3, 4	
E0560		Humidifier, durable for supplemental humidification during IPPB treatment or oxygen delivery	\$113.67		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
			\$0.67		R		Yes, after 60 days				
E0580		Nebulizer, durable, glass or autoclavable plastic, bottle type, for use with regulator or flowmeter	\$90.27		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
E1353		Regulator	\$105.22		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	Cannot be reimbursed with any other rental oxygen system.
			\$1.24		R						
E1355		Stand/rack	\$67.09		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
E1372		Immersion external heater for nebulizer	\$77.80		P	\$3.00	Yes	No	24, 26, 44, 54, 58	3, 4	
			\$1.35		R		Yes, after 60 days				

*Provider types: 24 — Federally Qualified Health Centers, 26 — Pharmacies, 44 — Home Health Agencies, 54 — Medical Equipment Vendors, 58 — Individual Medical Supply Vendors, 64 — Institutes for Mental Disease Providers, 79/80 — Nursing Homes, 95 — Hospice Providers.

**Place of service codes: 0 — Other, 3 — Office, 4 — Home, 7 — Nursing Home, 8 — Skilled Nursing Facility.

Procedure code	Replaces code(s)	Description	Max fee	Modifier	Type of service	Copay	PA required?	Reimbursable in a nursing home?	Provider type*	Place of service code**	Restrictions
E1390	E1400- E1404	Oxygen concentrator, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate	\$1,442.00	None	P	\$3.00	Yes	No	24, 26, 44, 54, 58, 64, 79, 80, 95	0, 3, 4, 7, 8	
			\$3.90	QE (less than one liter per minute)	R		Yes, after 30 days	Yes			
			\$7.80	None (one to four liters per minute)							
			\$11.70	QG (more than four liters per minute)							
E1405		Oxygen and water vapor enriching system with heated delivery	\$6.80		R		Yes, after 30 days	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	3, 4, 7, 8	Not separately reimbursable on same DOS as E1390.
E1406		Oxygen and water vapor enriching system without heated delivery	\$6.80		R		Yes, after 30 days	Yes	24, 26, 44, 54, 58, 64, 79, 80, 95	3, 4, 7, 8	Not separately reimbursable on same DOS as E1390.

*Provider types: 24 — Federally Qualified Health Centers, 26 — Pharmacies, 44 — Home Health Agencies, 54 — Medical Equipment Vendors, 58 — Individual Medical Supply Vendors, 64 — Institutes for Mental Disease Providers, 79/80 — Nursing Homes, 95 — Hospice Providers.

**Place of service codes: 0 — Other, 3 — Office, 4 — Home, 7 — Nursing Home, 8 — Skilled Nursing Facility.