

Health Resources Division:

Durable Medical Equipment Program

Effective Date:

1/1/2025

Subject:

Coverage criteria for home oxygen therapy

Home Oxygen Therapy Coverage Criteria

1. Purpose

This policy outlines the coverage criteria for home oxygen therapy for members, including details on alignment with and exceptions to Medicare coverage and reimbursement policies.

2. Coverage Criteria

- Members are eligible for coverage when the criteria outlined in the LCD ID: L33797 and Policy article ID: A52514 for Oxygen and Oxygen Equipment are satisfied.
 - For members who reside at a skilled nursing facility (SNF), Montana
 Healthcare Programs recognizes oximetry tests ordered by a physician
 and performed by qualified nursing personnel at the SNF are an
 acceptable blood gas study.

3. Reimbursement and Quantity Limits (36-Month Rental Cap)

- Montana Healthcare Programs-Only Members:
 - There is no rental cap for these members. Montana Healthcare Programs pays for the monthly rental of equipment and a monthly supply allowance.
- Dual-Eligible Members (Montana Healthcare Programs + Medicare/Qualified Medicare Beneficiary (QMB))
 - Medicare-Covered Oxygen: Montana Healthcare Programs will pay the lower of the Medicare coinsurance and deductible, or the Montana Healthcare Programs' allowed amount. This payment policy continues until the 36-month rental cap is reached. After the cap, Montana Healthcare Programs covers the monthly rental of equipment and the monthly supply allowance.
 - Medicare Non-Covered Oxygen: To preserve member access, the 36month cap does not apply to dual-eligible members residing at a SNF. Montana Healthcare Programs pays for the monthly rental of equipment and a monthly supply allowance.

 Note: Oxygen and oxygen equipment are considered separately billable items for nursing facilities. Only the SNF or the oxygen supplier can bill for these services, not both.

QMB Only

- Medicaid reimbursement is dependent on Medicare coverage. When Medicare pays, Montana Healthcare Programs will pay the coinsurance and deductible. If Montana Healthcare Programs denies the services, Medicaid does not pay.
- Note: Refer to the General Information for Providers Manual for additional information regarding the coordination of benefit policies for QMB Only members.

Version History

Version Number	Revision Date	Summary Changes
1	N/A	None – Original posting.