



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
600 Washington Street
Boston, MA 02111
www.mass.gov/masshealth

MASSHEALTH
TRANSMITTAL LETTER OXY-27
May 2006

TO: Oxygen and Respiratory Therapy Equipment Providers Participating in MassHealth
FROM: Beth Waldman, Medicaid Director *BW*
RE: *Oxygen and Respiratory Therapy Equipment Manual* (Revised Service Codes)

This letter transmits revisions to Subchapter 6 of the *Oxygen and Respiratory Therapy Equipment Manual*. MassHealth has revised Subchapter 6 to list only the oxygen and respiratory therapy equipment service codes that are covered under the oxygen and respiratory therapy program regulations at 130 CMR 427.000. Providers may consult the Centers for Medicare and Medicaid Services (CMS) Web site at www.cms.gov for a full description of the service codes.

Prior-authorization (PA) requirements, limitations, and place-of-service code requirements that used to be found in Subchapter 6 now appear in a new, interactive MassHealth DME and Oxygen Payment and Coverage Guidelines tool that is posted on the MassHealth Web site.

In addition to the revised format, Subchapter 6 contains updates to codes for 2006 to comply with federal coding mandates and incorporate coding changes previously described in bulletins issued by the Division of Health Care Finance and Policy (DHCFP). MassHealth will provide a comprehensive update of Subchapter 6 later in 2006.

The revised Subchapter 6, the new MassHealth DME and Oxygen Payment and Coverage Guidelines tool described in detail below, and the instructions detailed in this transmittal letter are effective for dates of service on or after May 1, 2006.

New MassHealth DME and Oxygen Payment and Coverage Guidelines Tool

MassHealth has posted its new DME and Oxygen Payment and Coverage Guidelines tool to its Web site. The tool will help providers understand the payment requirements and limitations for each DME and oxygen service code covered by MassHealth. The MassHealth DME and Oxygen Payment and Coverage Guidelines tool provides abbreviated descriptions for all DME and oxygen service codes covered by MassHealth, identifies applicable modifiers, place-of-service codes, PA requirements, service limits, and pricing and markup information. For certain services that are payable on an individual consideration (I.C.) basis, the new tool will help providers calculate the payable amount, based on information entered into certain fields on the tool. For service codes for which DHCFP has established a rate, the provider can determine the payment by reviewing the DHCFP regulations at 114.3 CMR 22.00.

To get to the new MassHealth DME and Oxygen Payment and Coverage Guidelines tool, go to www.mass.gov/masshealth. Click on MassHealth Regulations and Other Publications, then on Provider Library, then on MassHealth DME and Oxygen Payment and Coverage Guidelines Tool.

The MassHealth DME and Oxygen Payment and Coverage Guidelines tool also contains links to [DHCFP regulations](#), [MassHealth Guidelines for Medical Necessity Determination](#), and Part 6 of the administrative and billing instructions, which lists the [error codes and explanations](#) for claims that have been denied or suspended by MassHealth.

If you want a paper copy of the tool, you can print it from the Web site, or request a copy from MassHealth Customer Service by sending an e-mail to providersupport@mahealth.net, by faxing to 617-988-8973, or by calling 1-800-841-2900.

Revised Fee Schedule

DHCFP has issued revised regulations certifying new fees and payment methodologies for the codes listed in Subchapter 6 of the *Oxygen and Respiratory Therapy Equipment Manual*. The new fees and methodologies are effective for dates of service on and after May 1, 2006.

Providers are reminded to submit an invoice with a PA request or with a claim for services, as applicable, for items that are priced on an individual consideration basis. These services are listed as "I.C." in the DHCFP fee schedule and on the MassHealth DME and Oxygen Payment and Coverage Guidelines tool.

If you wish to obtain a paper copy of the fee schedule, you may purchase DHCFP regulations from either the Massachusetts State Bookstore or from DHCFP (see addresses and telephone numbers below). You must contact them first to find out the price of the publication. DHCFP also has the regulations available on disk. The regulation title for Durable Medical Equipment and Oxygen and Respiratory Therapy Equipment is 114.3 CMR 22.00.

Massachusetts State Bookstore
State House, Room 116
Boston, MA 02133
Telephone: 617-727-2834
www.mass.gov/sec/spr

Division of Health Care Finance and Policy
Two Boylston Street
Boston, MA 02116
Telephone: 617-988-3100
www.mass.gov/dhcfp

Coverage for Products Provided to Members Aged 21 Years and Younger

You may request PA for a medically necessary product or service for a member aged 21 years or younger even if the corresponding code is not listed in Subchapter 6 of the *Oxygen and Respiratory Therapy Equipment Manual*. The request must include documentation as required in 130 CMR 450.144. If MassHealth approves a request for a product or service for which there is no established payment rate, MassHealth will establish the appropriate payment rate on an individual-consideration basis in accordance with 130 CMR 450.271.

Billing and PA Requirements

▪ PA for Units in Excess of Specified Maximum

For products that are listed on the MassHealth DME and Oxygen Payment and Coverage Guidelines tool with a unit maximum, you may request PA for coverage of additional units even if the product or service does not ordinarily require PA. You must submit the request, along with supporting medical documentation, before the additional units are provided.

- **Diagnosis Codes**

MassHealth updates ICD-9-CM codes on a regular basis. Current ICD-9-CM codes are required on all claims. The ICD-9-CM codes entered on the claim must be directly related to the service billed.

- **Prescription Requirements for Services Provided to Members Residing in Nursing Facilities**

A prescription from a physician on a prescription pad or physician's letterhead is no longer required when providing services to MassHealth members residing in nursing facilities. In lieu of this documentation, providers may submit a copy of the order from the member's medical record along with any treatment plan (for example, oxygen treatment) written by the facility's staff.

- **Individual Consideration (I.C.)**

Providers must submit an invoice for claims for services that are priced on an I.C. basis. Providers must enter the acquisition cost, plus the appropriate markup, in the Usual Fee data element of the claim, and provide a complete description of the service in the Remarks field on claim form no. 9 or in the Notes section of the 837 transaction. You can use the MassHealth DME and Oxygen Payment and Coverage Guidelines tool to calculate the amount to enter in the usual fee data element for codes that are paid on an I.C. basis.

- **Continuous Positive Airway Pressure Device (CPAP)**

Effective for dates of service on or after May 1, 2006, MassHealth no longer includes heated and non-heated humidifiers in the cost of a CPAP rental and allows providers to bill separately for the rental of the equipment until the CPAP unit is purchased. Once MassHealth decides to purchase the CPAP unit on behalf of the member, the number of rental months will be subtracted from the NU modifier payment.

- E0601 – Continuous Positive Airway Pressure Device (CPAP)
- E0561 – Humidifier, non-heated, used with positive airway pressure device
- E0562 – Humidifier, heated, used with positive airway pressure device

All PA requests must initially contain E0601 and either E0561 or E0562. If the humidifier is not ordered by the physician initially and is subsequently needed, the provider must request an adjustment to the existing PA to add the humidification device, and submit claims accordingly.

- **Billing for Members with Other Insurance**

When a member has other insurance, providers must bill MassHealth with the same HCPCS codes that were billed to the primary insurer. MassHealth will deny all claims for services provided to members with other insurance if those claims are billed using Service Code A9270.

If a service code is never covered by a primary insurer, but it is covered by MassHealth, an explanation of benefits (EOB) is not required when billing MassHealth. For example, Medicare does not cover diapers. If the member is covered by Medicare, you do not need to bill Medicare first before billing MassHealth.

If a service code is covered by Medicare, but not in the place of service in which the service was provided, you must obtain a letter from CMS that indicates that the specific code is not covered by Medicare in the specific setting. For example, oxygen is a service that Medicare covers for a member in the community, but not for a member in a nursing facility. If the member is covered by Medicare, the provider must obtain a letter from CMS on at least an annual basis to submit in support of each claim.

- **Medical Necessity Documentation**

Medical necessity determinations are based on specific clinical information and documentation that supports appropriate medical use of the services being requested. This is a reminder that providers must include all documentation of medical necessity as required in 130 CMR 427.000 when submitting requests for PA to MassHealth or its designee(s).

- **Case Management for Complex-Care Members**

MassHealth members, primarily those under the age of 22 years, who require a nurse encounter of more than two continuous hours per visit, are enrolled in Community Case Management (CCM), a program administered for MassHealth by the University of Massachusetts Medical School. Each CCM enrollee is assigned a nurse case manager who performs a comprehensive needs assessment and authorizes all medically necessary home health and other community services, including oxygen and respiratory therapy equipment. The Recipient Eligibility Verification System (REVS) identifies members enrolled in CCM.

Providers must mail PA requests for oxygen and respiratory therapy equipment for members identified as CCM members in REVS to:

Community Case Management
P.O. Box 2586
100 Century Drive
Worcester, MA 01613-2586

MassHealth Web Site

This transmittal letter and attached pages are available on the MassHealth Web site at www.mass.gov/masshealth.

Questions

If you have any questions about this transmittal letter, please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.

NEW MATERIAL

(The pages listed here contain new or revised language.)

Oxygen and Respiratory Therapy Equipment Manual

Pages vi, vii, 6-1, and 6-2

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Oxygen and Respiratory Therapy Equipment Manual

Page vi — transmitted by Transmittal Letter OXY-25

Pages vii and vii-a — transmitted by Transmittal Letter OXY-1

Pages 6-1 through 6-8 — transmitted by Transmittal Letter OXY-26

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The regulations and instructions governing provider participation in MassHealth are published in the Provider Manual Series. MassHealth publishes a separate manual for each provider type.

Manuals in the series contain administrative regulations, billing regulations, program regulations, service codes, billing instructions, and general information. MassHealth regulations are incorporated into the Code of Massachusetts Regulations (CMR), a collection of regulations promulgated by state agencies within the Commonwealth and by the Secretary of State. MassHealth regulations are assigned Title 130 of the Code. The regulations governing provider participation in MassHealth are assigned Chapters 400 through 499 within Title 130. Pages that contain regulatory material have a CMR chapter number in the banner beneath the subchapter number and title.

Administrative regulations and billing regulations apply to all providers and are contained in 130 CMR Chapter 450.000. These regulations are reproduced as Subchapters 1, 2, and 3 in this and all other manuals.

Program regulations cover matters that apply specifically to the type of provider for which the manual was prepared. For oxygen and respiratory therapy equipment, those matters are covered in 130 CMR Chapter 427.000, reproduced as Subchapter 4 in the *Oxygen and Respiratory Therapy Equipment Manual*.

Revisions and additions to the manual are made as needed by means of transmittal letters, which furnish instructions for making changes by hand ("pen-and-ink" revisions), and by substituting, adding, or removing pages. Some transmittal letters will be directed to all providers; others will be addressed to providers in specific provider types. In this way, a provider will receive all those transmittal letters that affect its manual, but no others.

The Provider Manual Series is intended for the convenience of providers. Neither this nor any other manual can or should contain every federal and state law and regulation that might affect a provider's participation in MassHealth. The provider manuals represent instead MassHealth's effort to give each provider a single convenient source for the essential information providers need in their routine interaction with MassHealth and its members.

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601 Introduction

MassHealth pays for the services for codes listed in section 602 in effect at the time of service, subject to all conditions and limitations in MassHealth regulations at 130 CMR 427.000 and 450.000. In addition, a provider may request prior authorization (PA) for any medically necessary respiratory therapy equipment or service.

Providers should refer to the MassHealth DME and Oxygen Payment and Coverage Guidelines tool for service descriptions, applicable modifiers, place-of-service codes, PA requirements, service limits, and pricing and markup information. For certain services that are payable on an individual consideration (I.C.) basis, the tool will calculate the payable amount, based on information entered into certain fields on the tool. For service codes for which the Division of Health Care Finance and Policy (DHCFP) has established a rate, the provider can determine the payment by reviewing the DHCFP regulations at 114.3 CMR 22.00.

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If you want a paper copy of the tool, you can print it from the Web site, or request a copy from MassHealth Customer Service. See Appendix A of your provider manual for applicable contact information.

602 Service Codes

A4216	A4624	A7014	A7045	A7527	E0483	E1372
A4217	A4625	A7015	A7046	E0424	E0484	E1390
A4481	A4626	A7017	A7501	E0431	E0500	E1399
A4483	A4627	A7018	A7502	E0434	E0550	L8501
A4556	A4628	A7025	A7503	E0439	E0560	S8100
A4557	A4629	A7026	A7504	E0445	E0561	S8101
A4558	A7000	A7030	A7505	E0450	E0562	S8180
A4605	A7001	A7031	A7506	E0457	E0565	S8181
A4606	A7002	A7032	A7507	E0459	E0570	S8185
A4608	A7003	A7033	A7508	E0460	E0572	S8186
A4610	A7004	A7034	A7509	E0461	E0585	S8190
A4611	A7005	A7035	A7520	E0463	E0600	S8210
A4612	A7006	A7036	A7521	E0464	E0601	S8999
A4613	A7010	A7037	A7522	E0470	E0605	
A4614	A7011	A7038	A7524	E0471	E0606	
A4619	A7012	A7039	A7525	E0480	E0619	
A4623	A7013	A7044	A7526	E0482	E1340	

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