

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 603</b>	<b>Date: November 27, 2009</b>
	<b>Change Request 6668</b>

**Subject: Remittance Advice (RA) Codes and Medicare Summary Notice (MSN) Messages Regarding Oxygen Equipment**

**I. SUMMARY OF CHANGES:** This Change Request (CR) will provide the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) with the Remittance Advice (RA) codes and the Medicare Summary Notice (MSN) messages to be used on claims to explain the changes in payments for oxygen equipment, replacements, repairs, and accessories, due to the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008.

**New / Revised Material**

**Effective Date: December 28, 2009**

**Implementation Date: December 28, 2009**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	Chapter / Section / Subsection / Title
N/A	

**III. FUNDING:**

**SECTION A:** For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**SECTION B:** For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One-Time Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment – One-Time Notification

Pub. 100-20	Transmittal: 603	Date: November 27, 2009	Change Request: 6668
-------------	------------------	-------------------------	----------------------

**SUBJECT: Remittance Advice (RA) Codes and Medicare Summary Notice (MSN) Messages Regarding Oxygen Equipment**

**Effective Date:** December 28, 2009

**Implementation Date:** December 28, 2009

## I. GENERAL INFORMATION

### A. Background:

Section 5101(b) of the Deficit Reduction Act (DRA) of 2005 specified that title to rented oxygen equipment be transferred to the beneficiary from the supplier after 36 months of continuous Medicare rental payments. Instructions on this policy were implemented in Change Request (CR) 4392, Transmittal 915, issued on April 28, 2006. Section 144(b) of the Medicare Improvements for Patients and Providers Act (MIPPA), enacted in 2008, changed this policy, effective January 1, 2009, to provide that title to the oxygen equipment is retained by the supplier following the 36 month payment cap.

A related MIPPA provision required the supplier of the oxygen equipment, after the 36<sup>th</sup> month of continuous use, to continue to furnish the equipment for any period of medical need for the remainder of the equipment's reasonable useful lifetime. This equates to up to two additional years before the oxygen equipment reaches its 5 year reasonable useful lifetime.

MIPPA also provided for payment of reasonable and necessary maintenance and servicing of oxygen equipment furnished after the 36-month rental cap. In accordance with this latter provision, CMS has determined that, for services furnished during calendar year 2009, payment may be made for periodic, in-home visits by suppliers to inspect certain oxygen equipment and provide general maintenance and servicing after the 36-month rental cap.

CMS previously instructed the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) regarding the use of temporary Remittance Advice (RA) and Medicare Summary Notices (MSN) messages to be used in implementing the oxygen provisions of the MIPPA for claims with dates of service on or after January 1, 2009.

This CR provides the DME MACs with permanent Remittance Advice (RA) codes and the Medicare Summary Notice (MSN) messages to be used on claims to explain the changes in payments for oxygen equipment, replacements, repairs, and accessories, due to the MIPPA of 2008. The RA codes and MSN messages associated with the payment after the 36 month rental cap for reasonable and necessary maintenance and servicing of oxygen concentrators and transfilling equipment, for claims adjudicated on or after January 4, 2010, will be addressed in a future CR.

**B. Policy:**

Implementation of Final RA and MSN Messages

Contractors shall implement these new codes and messages for claims for oxygen equipment, replacements, repairs and accessories.

**Please note that the continuation of the maintenance and servicing payments for oxygen concentrators and transfilling equipment for claims adjudicated on or after January 4, 2010 will be addressed in a future CR. In the interim, please continue to follow the payment instructions in CR 6509 (Payment for Maintenance and Servicing of Certain Oxygen Equipment as a Result of the MIPPA of 2008) which rescinded and replaced CR 6404. As a result, the RA codes and MSN messages associated with the payment for maintenance and servicing of oxygen concentrators and transfilling equipment, for claims with adjudicated on or after January 4, 2010, will be addressed in a future Change Request.**

**II. BUSINESS REQUIREMENTS TABLE**

*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
6668.1	<p>Contractors shall use the following RA codes and MSN messages when paying a claim for oxygen equipment during the 36-month rental period:</p> <p>Remark Code M6 (revised) – Alert: You must furnish and service this item for any period of medical need for the remainder of the reasonable useful lifetime of the equipment.</p> <p>MSN 8.80 – Medicare will pay for you to rent this equipment for up to 36 months (or until you no longer need the equipment). After the 36 month rental period, Medicare will continue to pay for delivery of liquid and gaseous contents, as long as it is still medically necessary.</p> <p>Spanish Translation:</p> <p>MSN 8.80 – Medicare pagará por el alquiler del equipo durante 36 meses (o hasta que usted ya no lo necesite). Después del período de alquiler de 36 meses, Medicare continuará pagando por el oxígeno líquido y gaseoso, si todavía es necesario por razones médicas.</p>		X							

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6668.2	<p>Contractors shall use the following messages on the MSN for the 36<sup>th</sup> oxygen equipment rental payment:</p> <p>MSN 8.78 – Medicare has paid for 36 months of rental for your oxygen equipment. Your supplier continues to own the equipment and is required to provide the oxygen equipment and related supplies for up to 2 additional years (5 years total), as long as oxygen is still medically necessary.</p> <p><b>Spanish translation:</b></p> <p>MSN 8.78 - Medicare ha pagado por 36 meses de alquiler de su equipo de oxígeno. Su proveedor continua siendo el dueño del equipo y tiene la obligación de seguir proporcionárselo mientras el equipo funcione o hasta que usted ya no lo necesite.</p>		X								
6668.3	<p>Contractors shall use the following RA codes and MSN messages when denying a claim for oxygen equipment rental billed after the 36 month rental period:</p> <p>Reason code A1: Claim/Service denied.</p> <p>Remark Code N370 – Billing exceeds the rental months covered/approved by the payer.</p> <p>MSN 8.79 – Medicare has paid 36 months of rental for your oxygen equipment. The supplier may not collect any more money from you for this equipment, and must refund any money you have already paid.</p> <p><b>Spanish translation:</b></p> <p>MSN 8.79 – Medicare ha pagado por el alquiler de su equipo de oxígeno durante 36 meses. El proveedor ya no puede cobrarle más por el equipo y tiene que reembolsarle cualquier dinero que usted ya haya pagado.</p> <p>MSN 16.35 - You do not have to pay this amount.</p>		X								

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	<b>Spanish translation:</b>  MSN 16.35 - Usted no tiene que pagar esta cantidad.										
6668.3.1	Medicare contractors shall assign group code CO (contractual obligation).		X								
6668.4	Contractors shall use the following RA codes and MSN messages when denying claims for oxygen equipment accessories:  Reason Code A1: Claim/Service denied.  Remark Code N518 (new) – No separate payment for accessories when furnished for use with oxygen equipment.  MSN 16.10: Medicare does not pay for this item or service.  MSN 16.35: You do not have to pay for this amount.  <b>Spanish translations:</b>  MSN 16.10 - Medicare no paga por este artículo o servicio.  MSN 16.35 - Usted no tiene que pagar esta cantidad.		X								
6668.4.1	Medicare contractors shall assign group code CO (contractual obligation).		X								
6668.5	Contractors shall continue to use the following RA codes and MSN messages when denying a claim for repairs to oxygen equipment:  Reason Code A1: Claim/Service denied  Remark Code: N171: Payment for repair or replacement is not covered or has exceeded the purchase price.  MSN 8.28: Maintenance, servicing, replacement, or repair of this item is not covered.  MSN 16.35: You do not have to pay for this amount.  <b>Spanish translations:</b>		X								

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	MSN 8.28 - El mantenimiento, servicio, reemplazo o reparación de este artículo no está cubierto.  MSN 16.35 - Usted no tiene que pagar esta cantidad.										
6668.5.1	Medicare contractors shall assign group code CO (contractual obligation).		X								
6668.6	Contractors shall continue to use the following RA codes and MSN messages when denying a claim for replacement parts, when the part is replaced in conjunction with the repair of oxygen equipment:  Reason Code A1 - Claim/Service denied.  Remark Code N171 - Payment for repair or replacement is not covered or has exceeded the purchase price.  MSN 8.28 - Maintenance, servicing, replacement, or repair of this item is not covered.  MSN 16.35 - You do not have to pay this amount.  <b>Spanish Translations:</b>  MSN 8.28 - El mantenimiento, servicio, reemplazo o reparación de este artículo no está cubierto.  MSN 16.35 - Usted no tiene que pagar esta cantidad.		X								
6668.6.1	Medicare contractors shall assign group code CO (contractual obligation).		X								

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	None.										

#### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A**

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** For questions about Payment Policy, contact Karen Jacobs at [Karen.Jacobs@cms.hhs.gov](mailto:Karen.Jacobs@cms.hhs.gov) or (410) 786-2173. For questions about Claims Processing contact Tracey Herring at [Tracey.Herring@cms.hhs.gov](mailto:Tracey.Herring@cms.hhs.gov) or 410-786-7169

**Post-Implementation Contact(s):** For questions about Payment Policy, contact Karen Jacobs at [Karen.Jacobs@cms.hhs.gov](mailto:Karen.Jacobs@cms.hhs.gov) or (410) 786-2173. For questions about Claims Processing contact Tracey Herring at [Tracey.Herring@cms.hhs.gov](mailto:Tracey.Herring@cms.hhs.gov) or 410-786-7169

#### VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs)*, *Regional Home Health Intermediaries (RHHIs)*, and/or *Carriers*, use only one of the following statements:**

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

**Section B: For *Medicare Administrative Contractors (MACs)*, include the following statement:**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.