



# MEDICAL ASSISTANCE BULLETIN

COMMONWEALTH OF PENNSYLVANIA, DEPARTMENT OF PUBLIC WELFARE

ISSUE DATE  
**June 6, 2006**

EFFECTIVE DATE  
**June 12, 2006**

NUMBER  
**24-06-10**  
**25-06-01**

**SUBJECT**

Medical Assistance Program Fee Schedule Revision for Oxygen and Oxygen Equipment

**BY**

  
James L. Hardy, Deputy Secretary  
Office of Medical Assistance Programs

## PURPOSE:

The purpose of this bulletin is to issue changes to the Medical Assistance (MA) Program Fee Schedule relating to oxygen and oxygen-related equipment procedure codes.

## SCOPE:

This bulletin applies to all pharmacies and medical suppliers enrolled in the Pennsylvania MA Program and providing service in the fee-for-service delivery system.

## BACKGROUND/DISCUSSION:

Pennsylvania's Medicaid State Plan (State Plan) specifies that maximum fees for services covered under the MA Program are to be determined on the basis of the following: fees may not exceed the Medicare upper limit when applicable; fees must be consistent with efficiency, economy and quality of care; and fees must be sufficient to assure the availability of services to recipients.

In section 4552(a) of the Balanced Budget Act of 1997, (42 U.S.C.A. § 1395m(a)(9)(B)(v) and (vi)), Congress reduced payment levels for certain Medicare items, including oxygen and oxygen-related equipment. As a result, the Department of Public Welfare (Department) revised the MA Program Fee Schedule rates for these services in 2003.

Medicare reviews and revises its payment rates at least annually. As a result of such rate revisions since 2003, the Department has determined that MA payment rates for several oxygen and oxygen-related equipment procedure codes are above the Medicare-approved amount for the same procedure codes. The Department is adjusting the MA Program Fee Schedule payment rates for oxygen and oxygen-related procedure codes to equal the Medicare-approved amount. Revision of these fees is necessary to comply with the State Plan and to avoid a federal disallowance.

**COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:**

The appropriate toll-free number for your provider type.

Visit the Office of Medical Assistance Programs website at [www.dpw.state.pa.us/omap](http://www.dpw.state.pa.us/omap)

**PROCEDURE**

The Department will revise the payment rates for the following procedure codes, which must be billed with modifier RR, effective June 12, 2006:

<b>Oxygen Procedure Codes with Fees Exceeding 100% Medicare</b>		
<b>Code</b>	<b>Description</b>	<b>Fee Revision</b>
E0424	STATIONARY COMPRESSED GASEOUS OXYGEN SYSTEM, RENTAL; INCLUDES CONTAINER, CONTENTS, REGULATOR, FLOWMETER, HUMIDIFIER, NEBULIZER, CANNULA OR MASK, AND TUBING	\$200.41
E0431	PORTABLE GASEOUS OXYGEN SYSTEM, RENTAL; INCLUDES PORTABLE CONTAINER, REGULATOR, FLOWMETER, HUMIDIFIER, CANNULA OR MASK, AND TUBING	\$32.07
E0434	PORTABLE LIQUID OXYGEN SYSTEM, RENTAL; INCLUDES PORTABLE CONTAINER, SUPPLY RESERVOIR, HUMIDIFIER, FLOWMETER, REFILL ADAPTOR, CONTENTS GAUGE, CANNULA OR MASK, AND TUBING	\$32.07
E0439	STATIONARY LIQUID OXYGEN SYSTEM, RENTAL; INCLUDES CONTAINER, CONTENTS, REGULATOR, FLOWMETER, HUMIDIFIER, NEBULIZER, CANNULA OR MASK, & TUBING	\$200.41
E1390	OXYGEN CONCENTRATOR, SINGLE DELIVERY PORT, CAPABLE OF DELIVERING 85 PERCENT OR GREATER OXYGEN CONCENTRATION AT THE PRESCRIBED FLOW RATE	\$200.41
E1405	OXYGEN AND WATER VAPOR ENRICHING SYSTEM WITH HEATED DELIVERY	\$235.48
E1406	OXYGEN AND WATER VAPOR ENRICHING SYSTEM WITHOUT HEATED DELIVERY	\$216.51