

# Continuous Positive Airway Pressure (CPAP) & Respiratory Assist Device (RAD) Billing

DME MAC Outreach & Education Department

For Training Purposes Only  
April 21, 2008 - June 11, 2008

TMP-EDO-0048 V1.0

**NHIC, Corp.**

A CMS MEDICARE ADMINISTRATIVE CONTRACTOR



## Disclaimer

This information is current as of April 2008.  
Any additional updates will be provided at the seminar.

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## Disclaimer

This seminar packet is meant as only an outline of the full seminar presentation. Additional information and discussion provided during the seminar will accompany these materials for a complete educational session. Use of these materials by entities other than NHIC, Corp. DME MAC Jurisdiction A may not fully reflect the educational intent for which they were developed.

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## Agenda

- **CPAP**
  - Coverage Criteria
  - Coding & Modifier Guidelines
  - Documentation Requirements
  - Billing Reminders
- **RAD**
  - Coverage Criteria
  - Coding & Modifier Guidelines
  - Documentation Requirements
  - Billing Reminders
- **DME MAC Resources**
- **Open Discussion**



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## Pre-Test



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## Continuous Positive Airway Pressure

Coverage Criteria

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## Initial Coverage - Three Months

- Obstructive sleep apnea (OSA) documented by an attended, facility-based polysomnogram **and** meets either:
  - Apnea hypopnea index (AHI) is  $\geq 15$  events/hour **or**
  - AHI from 5 to 14 events per hour with documented symptoms of:
    - Excessive daytime sleepiness, impaired cognition, mood disorders, or insomnia **or**
    - Hypertension, ischemic heart disease, or history of stroke

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## Continued Coverage

- Continued coverage beyond the first three months requires
  - No sooner than the 61<sup>st</sup> day after initiating therapy, the supplier must ascertain from either the beneficiary or the treating physician that the beneficiary is continuing to use the CPAP

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## Accessories

- Accessories used with an **E0601** are covered when the coverage criteria for the device are met
- Accessories will be denied not medically necessary when the coverage criteria are not met

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## Usual Maximum Allowable

<u>HCPCS Codes</u>	<u>Allowance</u>
A7028, A7029, A7032, A7033, A7038	2 per 1 month
A7031	1 per 1 month
A4604, A7027, A7030, A7034, A7037	1 per 3 months
A7035, A7036, A7039, A7046	1 per 6 months

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## Humidifiers

- Either a non-heated (**E0561**) or heated (**E0562**) humidifier is covered when ordered by the treating physician for use with a covered **E0601**

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## Continuous Positive Airway Pressure

Coding & Modifier Guidelines

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## Coding

- **E0601** - Continuous airway pressure (CPAP) device
  - Capped rental
- **E0561** - Humidifier, non-heated, used with positive airway pressure device
  - Inexpensive/routinely purchased
- **E0562** - Humidifier, heated, used with positive airway pressure device
  - Inexpensive/routinely purchased
- CPAP Accessories
  - Inexpensive/routinely purchased
    - **A4604**
    - **A7027 - A7039**
    - **A7044 - A7046**

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## Modifiers

- **KX** - Specific required documentation on file
- **EY** - No physician or other health care provider order for this item or service
- **GA** - Waiver of liability (expected to be denied as not reasonable and necessary, ABN on file)
- **NU** - New equipment
- **RR** - Rental
- **UE** - Used Equipment

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## Capped Rental Modifiers

- **KH** - Initial claim, first month rental
- **KI** - Second or third month rental
- **KJ** - Months four through thirteen of a rental
- Example:
  - **E0601RRKHKX** - Month 1
  - **E0601RRKIKX** - Months 2 - 3
  - **E0601RRKJKX** - Months 4 - 13

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## Continuous Positive Airway Pressure



### Documentation Requirements

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## Orders

- An order for each item billed must be signed and dated by the treating physician, kept on file by the supplier, and made available upon request
- Items billed before a signed and dated order has been received by the supplier must be submitted with an **EY** modifier added to each affected HCPCS code

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## Orders

- Must be signed/dated by physician
- Faxed, photocopied, electronic, or pen & ink orders are acceptable for claim submission
- Must be kept on file by supplier
- Signature stamps are acceptable on orders



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## Orders

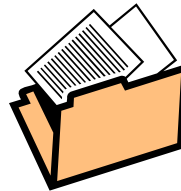
- Must clearly state the start date
- Must include the length of need for rented equipment or when specified by policy
- Must be sufficiently detailed including:
  - All options or additional features
  - Brand name/model number or narrative description
- The ICD-9-CM diagnosis code or narrative description can be on the order



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## Over-utilization

- When billing for quantities of supplies greater than those described in the policy as the usual maximum amounts, documentation supporting the medical necessity for the higher utilization must be available to the DME MAC on request



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## KX Modifier Use

- Initial Coverage (Months 1 - 3)
  - Add a **KX** modifier to codes for equipment and accessories only if all of the criteria in the “Indications and Limitations of Coverage and/or Medical Necessity” section of the policy are met
- Continued Coverage (Months 4 - 13)
  - Add a **KX** modifier to codes for equipment and accessories only if both the initial coverage and continued coverage criteria are met
  - The **KX** should not be added when there is no information on file to document the beneficiary’s continued use of the equipment

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## Continuous Positive Airway Pressure

### Billing Reminders

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## Billing Reminders

- If coverage criteria are met, the **KX** modifier must be added to all claims for equipment and accessories
- Use the capped rental modifiers (**KH, KI, or KJ**) in addition to the **RR** modifier for the CPAP
- Accessories must be billed with an **NU, UE, or RR** modifier



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## Billing Reminders

- Accessories will be denied if the CPAP has denied or there is no indication of a CPAP rental or purchase
- Make, model, and date of purchase of the CPAP should be indicated in the NTE field for electronic claims or Item 19 of paper claims when the CPAP was not billed to Medicare

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# Payment Categories

- Inexpensive or Routinely Purchased
  - Items can be rented or purchased
  - **NU, UE** or **RR** modifier
  - Rentals are payable for 10 months
  - Repairs and replacements are billable on patient owned equipment
- Capped Rental Items
  - Rented for 13 months and then converted to a purchase (effective 01/01/06)
  - **RR** and **KH, KI, or KJ** modifiers
  - **BU, BP, or BR** modifiers are no longer required
  - Repairs and replacements are billable after purchase conversion

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# Billing Example

24. A. DATE(S) OF SERVICE		B. PLACE OF SERVICE		C.	D. PROCEDURES, SERVICES, OR SUPPLIES			E.	F.	G.	H.	I.	J.
From	To	EMG	EMG		(Explain Unusual Circumstances)			DIAGNOSIS	\$ CHARGES	DAYS OF	RENTAL	ID.	RENDERING
MM	DD	YY	MM	DD	YY	CPT/HCPCS	MODIFIER	POINTER		UNITS	PER	QUAL.	PROVIDER ID. #
02	02	08	02	02	08	12	E0601 RR KJ KX	1	120	00	1		NPI
02	02	08	02	02	08	12	A7032 NU KX	1	90	00	2		NPI
02	02	08	02	02	08	12	A7035 NU KX	1	40	00	1		NPI
													NPI
													NPI
													NPI
25. FEDERAL TAX I.D. NUMBER		SSN	EIN	26. PATIENT'S ACCOUNT NO.			27. ACCEPT ASSIGNMENT?		28. TOTAL CHARGE	29. AMOUNT PAID	30. BALANCE DUE		
TTN			<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		\$ 250 00	\$ 0 00	\$ 250 00		
31. SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS (I certify that the statements on the reverse apply to this bill and are made a part thereof.)				32. SERVICE FACILITY LOCATION INFORMATION				33. BILLING PROVIDER INFO & PH #					
SIGNED <i>John Smith</i> DATE 2/01/08				a. NPI				b. <b>Durable Medical Equipment</b> 1 Main St. Any town PA 12345 (570) 987-6543					
								*1234567891					

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## Billing Reminders

- The following places of service are payable for the CPAP and accessories:
  - 01 - Pharmacy
  - 04 - Homeless Shelter
  - 09 - Prison/Correctional Facility
  - 12 - Home
  - 13 - Assisted Living Facility
  - 14 - Group Home
  - 33 - Custodial Care Facility
  - 54 - Intermediate Care Facility/Mentally Retarded
  - 55 - Residential Substance Abuse Facility
  - 56 - Psychiatric Residential Treatment Center

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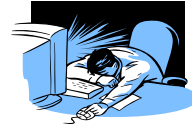
## Respiratory Assist Device

### Coverage Criteria

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## Initial Coverage Criteria

- For an **E0470** or an **E0471** to be covered, the treating physician must fully document symptoms characteristic of sleep-associated hypoventilation, such as:
  - Daytime hypersomnolence
  - Excessive fatigue
  - Morning headache
  - Cognitive dysfunction
  - Dyspnea
  - Etc.



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## Initial Coverage Criteria

- A RAD (**E0470**, **E0471**) used to administer NPPRA therapy is covered for those patients with clinical disorder groups characterized as:
  - I. Restrictive Thoracic Disorders
  - II. Severe Chronic Obstructive Pulmonary Disease (COPD)
  - III. Central Sleep Apnea (CSA)
  - IV. Obstructive Sleep Apnea (OSA)

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## I. Restrictive Thoracic Disorders

### Criteria A:

- Progressive neuromuscular disease or severe thoracic cage abnormality and

### Criteria B:

- Arterial blood gas PaCO<sub>2</sub> done while awake and breathing usual FIO<sub>2</sub>  $\geq$  45mm Hg or
- Sleep oximetry demonstrates O<sub>2</sub> sat  $\leq$  88% for at least 5 continuous minutes while breathing usual FIO<sub>2</sub> or
- For progressive neuromuscular disease only, maximal inspiratory pressure is  $<$  60cm H<sub>2</sub>O or forced vital capacity is  $<$  50% predicted and

### Criteria C:

- Chronic obstructive pulmonary disease does not contribute significantly to the patient's pulmonary limitation

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## II. Severe COPD

### Criteria A:

- Arterial blood gas PaCO<sub>2</sub> done while awake and breathing usual FIO<sub>2</sub> is  $\geq$  52mm Hg and
- Sleep oximetry demonstrates oxygen saturation  $\leq$  88% for at least 5 continuous minutes, done while breathing O<sub>2</sub> at 2LPM or usual FIO<sub>2</sub> (whichever is higher) and

### Criteria B:

- Prior to therapy, OSA (and CPAP treatment) has been considered and ruled out

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### III. Central Sleep Apnea (CSA) or Complex Sleep Apnea (CompSA)

Prior to initiating therapy, a complete facility based, attended PSG must be performed documenting the following:

**Criteria A:**

- Diagnosis of central sleep apnea **or** complex sleep apnea **and**

**Criteria B:**

- The ruling out of CPAP as effective therapy if either CSA or OSA is a component of the initially observed sleep-associated hypoventilation **and**

**Criteria C:**

- Significant improvement of the sleep-associated hypoventilation with the use of an **E0470** or **E0471** device on the settings that will be prescribed for initial use at home, while breathing the patient's usual FIO2

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### IV. Obstructive Sleep Apnea (OSA)

**Criteria A:**

- A complete facility-based, attended polysomnogram, has established the diagnosis of obstructive sleep apnea according to the following criteria:
  - The apnea-hypopnea index (AHI) is  $\geq 15$  events per hour **or**
  - The AHI is from 5 to 14 events per hour with documented symptoms of:
    - Excessive daytime sleepiness, impaired cognition, mood disorders, or insomnia **or**
    - Hypertension, ischemic heart disease, or history of stroke **and**

**Criteria B:**

- A single level device (CPAP) has been tried and proven ineffective

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## Continued Coverage Criteria

- Patients covered for the first 3 months of an **E0470** and **E0471** device must be re-evaluated to establish the medical necessity beyond the first 3 months
  - Re-evaluation no sooner than 61 days after initiating therapy
  - Coverage will not continue for the 4<sup>th</sup> and succeeding months until this re-evaluation has been completed
  - Documentation of the progress, relevant symptoms, and patient usage of the device
  - Patient must be consistently using **E0470** or **E0471** for an average of 4 hours per 24-hour period by the time of the re-evaluation

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## Continued Coverage Documentation

- For continued coverage beyond three months, the following must be obtained
  - Signed and dated statement completed by the treating physician no sooner than 61 days after initiating use of the device, declaring that the patient is compliantly using the device (an average of 4 hours per 24 hour period) and that the patient is benefiting from its use **and**
  - Medicare beneficiary statement completed by the patient no sooner than 61 days after initiating use of the device
- If these criteria are not met, continued coverage of an **E0470** or an **E0471** device and related accessories will be denied as not medically necessary

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## Continued Coverage for Group II

- Continued coverage beyond three months for Group II patients (COPD) who qualified for **E0470** who now require **E0471**; must meet the following criteria
  - PaCO<sub>2</sub> repeated no sooner than 61 days after initiation of **E0470** done while awake and breathing usual FIO<sub>2</sub> remains  $\geq$  52mm Hg **and**
  - Sleep oximetry repeated no sooner than 61 days after initiation of **E0470**, while breathing with **E0470** demonstrates SAT  $\leq$  88% for at least five continuous minutes while breathing O<sub>2</sub> at 2LPM or usual FIO<sub>2</sub> (whichever is higher) **and**
  - A signed and dated statement from the treating physician declaring compliant use of an **E0470** but the patient is not benefiting from its use **and**
  - A Medicare beneficiary statement completed no sooner than 61 days after initiation of **E0470**

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## Medicare Beneficiary Statement

- For continued coverage of an **E0470** or an **E0471** device, the supplier must obtain a signed and dated statement from the beneficiary documenting:
  - The device is currently being used for 4 or more hours per 24-hour period **and**
  - The device has been used for at least 2 months at the time of the statement's completion **and**
  - The beneficiary plans to continue using the device in the future **and**
  - The person completing the statement was not the supplier

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## Usual Maximum Allowable

<u>HCPCS Codes</u>	<u>Allowance</u>
A7028, A7029, A7032, A7033, A7038	2 per 1 month
A7031	1 per 1 month
A4604, A7027, A7030, A7034, A7037	1 per 3 months
A7035, A7036, A7039, A7046	1 per 6 months

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## Humidifiers

- Either a non-heated (**E0561**) or heated (**E0562**) humidifier is covered and paid separately when ordered by the treating physician for use with a covered **E0470** or **E0471**

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# Respiratory Assist Device



## Coding & Modifier Guidelines

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## Coding

- **E0470** - RAD without backup rate used for noninvasive interface
  - Capped rental
- **E0471** - RAD with backup rate used with noninvasive interface
  - Capped rental
- **E0472** - RAD with backup rate used with an invasive interface
  - Capped Rental

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## Coding

- **E0561** - Humidifier, non-heated, used with positive airway pressure device
  - Inexpensive/routinely purchased
- **E0562** - Humidifier, heated, used with positive airway pressure device
  - Inexpensive/routinely purchased
- **RAD Accessories**
  - Inexpensive/routinely purchased
    - **A4604**
    - **A7027 - A7039**
    - **A7044 - A7046**

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## Modifiers

- **KX** - Specific required documentation on file
- **EY** - No physician or other health care provider order for this item or service
- **GA** - Waiver of liability (expected to be denied as not reasonable and necessary, ABN on file)
- **NU** - New equipment
- **RR** - Rental
- **UE** - Used Equipment

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## Capped Rental Modifiers

- **KH** - Initial claim, first month rental
- **KI** - Second or third month rental
- **KJ** - Months four through thirteen of a rental
- Example:
  - **E0470RRKHKX** - Month 1
  - **E0470RRKIKX** - Months 2 - 3
  - **E0470RRKJKX** - Months 4 - 13

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## Definitions of ABN Modifiers

- **GA** - Waiver of liability (expected to be denied as not reasonable and necessary, ABN on file)
- **GZ** - Item or service not reasonable and necessary (expected to be denied as not reasonable and necessary, no ABN on file)
- **GK** - Actual item or service ordered by physician, item associated with GA or GZ modifier
- **GL** - Medically unnecessary upgrade provided instead of standard item, no charge, no advance beneficiary notice (ABN)

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## RAD Upgrade Scenarios

- Beneficiary requests an **E0471**, beneficiary qualifies for **E0470**
  - Valid ABN Obtained
    - Bill two claim lines to ensure down-code:
      - E0471RRKHGA
      - E0470RRKHGK
    - List upgrade features in the narrative field
  - No ABN Obtained – Free Upgrade
    - Bill two claim lines to ensure down-code:
      - E0471RRKHGZ
      - E0470RRKHGK
    - List upgrade features in the narrative field



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## RAD Upgrade Scenarios

- Physician orders an **E0471**, beneficiary qualifies for **E0470**
  - Valid ABN Obtained
    - Bill two claim lines to ensure down-code:
      - E0471RRKHGA
      - E0470RRKHGK
    - List upgrade features in the narrative field
  - No ABN Obtained – Free Upgrade
    - Bill one claim line for the qualified item
      - E0470RRKHGL
    - List the make and model of the item provided and explain why it is an upgrade in the narrative field



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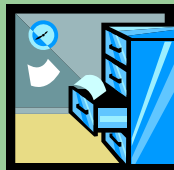
## RAD Upgrade Scenarios

- Supplier only stocks E0471, beneficiary qualifies for E0470
  - Free Upgrade - An ABN should not be obtained
    - Bill one claim line for the qualified item
      - E0470RRKHGL
    - List the make and model of the item provided and explain why it is an upgrade in the narrative field



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## Respiratory Assist Device



### Documentation Requirements

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## Orders

- An order for each item billed must be signed and dated by the treating physician, kept on file by the supplier, and made available upon request
- Items billed before a signed and dated order has been received by the supplier must be submitted with an **EY** modifier added to each affected HCPCS code



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## KX Modifier Usage

- The KX modifier must be added to the RAD and accessories when the below criteria are met:
  - Claims for Months 1-3
    - All of the criteria for patients in Groups I-IV in the Indications and Limitations and/or Medical Necessity section of the policy have been met
  - Claims for Month 4 and beyond
    - Must meet initial coverage criteria **and**
    - The treating physician's signed and dated statement described in the Indications and Limitations and/or Medical Necessity has been obtained **and**
    - A Medicare beneficiary statement, completed and obtained according to the criteria stated in the Indications and Limitations of Coverage and/or Medical Necessity section is on file

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## KX Modifier Documentation - Group II

- Additional criteria for KX modifier use for COPD patients beyond the third month
  - Patients in Group II (COPD), when an **E0471** device is being billed, the following additional documentation requirements must be met:
    - Repeat arterial blood gas PaCO<sub>2</sub> and
    - Repeat sleep oximetry



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## Respiratory Assist Device



### Billing Reminders

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## Billing Reminders

- For the purpose of this policy, arterial blood gas, sleep oximetry and polysomnographic studies may not be performed by a DME supplier
- If there is discontinuation of usage of the RAD device at any time, the supplier is expected to ascertain this, and stop billing for the equipment and related accessories and supplies
- Use the suggested Medicare beneficiary statement form attached to the policy

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## Billing Reminders



- If coverage criteria are met, the **KX** modifier must be added to all claims for equipment and accessories
- Use the capped rental modifiers (**KH**, **KI**, or **KJ**) in addition to the **RR** modifier for the RAD
- Accessories must be billed with an **NU**, **UE**, or **RR** modifier
- Use upgrade modifiers and guidelines to assure proper down-code

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## Billing Reminders

- The physician and beneficiary statements for patients must be kept on file by the supplier, but should not be sent in with the claim
- When billing for quantities of accessories that are greater than those described in the policy as the usual maximum amounts, there must be adequate, clear documentation in the patient's medical records corroborating the medical necessity of this amount

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## DME MAC A Resources



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## DME MAC A Resources

- **Customer Service**

- Provider IVR: **866-419-9458**

- Claim information
- Patient eligibility
- CMN status information
- Financial information
- Pricing and Appeals information
- General information



- Provider CSR: **866-590-6731**

- Beneficiary: **1-800-MEDICARE (1-800-633-4227)**

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## DME MAC A Resources

- **Provider Outreach & Education**

- Outreach Specialists: **781-741-3950**

- **DME MAC A Web site**

- [www.medicarenhic.com/dme](http://www.medicarenhic.com/dme)



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## DME MAC A ListServes

- **What is a ListServe?**

- Email account that provides an opportunity for subscribers to receive reminders and announcements
- Benefits of a ListServe - Be the first to:
  - Know important and time-sensitive Medicare program information and other important or urgent DME MAC A announcements
  - Learn about upcoming educational opportunities and training events
  - Know when our quarterly bulletins become available

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## Open Discussion



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## Post Test



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## Evaluations



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**Thank You**



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