



New Rules for How Medicare Pays Suppliers for Oxygen Equipment

Changes in law require Medicare to change the way it pays suppliers for oxygen equipment and supplies. You will still be able to get your oxygen equipment; however, you should know about the new rules that start January 1, 2009.

How does the recent law change the way Medicare pays for oxygen equipment and related supplies?

Previously, the law stated that you would own the oxygen equipment after you rented it for 36 months. Under the new law, the rental payments will end after 36 months but the supplier continues to own the equipment. The new law then requires your supplier to provide the oxygen equipment and related supplies for 2 additional years (5 years total), as long as oxygen is still medically necessary.

How does Medicare pay for oxygen equipment and related supplies and what do I pay?

The monthly rental payments to the supplier cover not only the oxygen equipment, but also any supplies and accessories such as tubing or a mouthpiece, oxygen contents, maintenance, servicing, and repairs. Medicare pays 80% of the rental amount, and the person with Medicare is responsible for any unpaid Part B deductible, and the remaining 20% of the rental amount.

By the end of 36 months, total payments from Medicare and you to your supplier would be more than \$7,000 (based on rental payments of about \$200 per month).



What happens with my oxygen equipment and related services after the 36 months of rental payments?

Your supplier has been paid over 36 months for furnishing your oxygen and oxygen equipment for up to 5 years, and your supplier is required to continue to maintain the oxygen equipment (in good working order) and any necessary supplies and accessories, as long as you need it until the 5 year period ends.

If you use oxygen tanks or cylinders that need delivery of gaseous or liquid oxygen contents, Medicare will continue to pay each month for the delivery of contents after the 36-month rental period. The supplier that delivers this equipment to you in the last month of the 36-month rental period must provide these items, as long as you medically need it, up to 5 years.

Will Medicare pay for any maintenance and servicing after the 36-month period ends?

If you use an oxygen concentrator or transfilling equipment (a machine that fills your portable tanks in your home), for 2009 only, Medicare will pay for a routine maintenance and servicing visit 6 months after the end of the 36-month rental period.

Why is the supplier not being paid for other maintenance and servicing such as repairs if the equipment breaks down?

Because under the new law, suppliers still own the equipment after the rental payments stop and are required to take care of the equipment they have been paid to furnish to you. The supplier can't charge you for performing these services.

This includes repairing the equipment and replacing any parts necessary to make sure that the equipment functions properly. If the equipment must be replaced because it will no longer function properly, the supplier must replace it with the same, or similar, make and model of equipment at no charge



What happens at the end of the 5 year rental period?

At the end of the 5-year period, your supplier's obligation to continue furnishing your oxygen and oxygen equipment ends and you may elect to obtain replacement equipment from any supplier. Your current supplier will probably alert you before the 5-year period is over so that you have time to decide whether to obtain the replacement equipment from them or from another enrolled supplier that you choose if you decide to switch suppliers. A new 36-month payment period and 5 year supplier obligation period would start once the old 5 year period ends and the new oxygen and oxygen equipment you require is furnished. All of the other rules described in this fact sheet apply to the replacement equipment and supplier of that equipment.

What if I'm away from home for an extended period of time or I move to another area during the 36-month period?

If you travel away from home for an extended period of time (several weeks or months) or permanently move to another area during the 36-month rental period, ask your current supplier if they can help you find a supplier in the new area. If your supplier can't help you locate an oxygen supplier in the area where you are visiting or moving to, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

What if I'm away from home for an extended period of time or I move to another area after the 36-month period?

If you travel or move after the 36-month rental period ends, your supplier has been paid for furnishing your equipment for 5 years and is responsible for ensuring that you are provided with oxygen and oxygen equipment in the new area. Your supplier may choose to make arrangements for a different supplier in your new area to provide the oxygen and oxygen equipment; however, a supplier may not charge you for the equipment, supplies, accessories, or other services identified above that are provided after the 36-month rental payment period.



What if my supplier refuses to continue providing my oxygen equipment and related services as required by law?

If your supplier is not following Medicare laws and rules, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. The customer service representatives will refer your case to the appropriate area.

For more information about Medicare's coverage of durable medical equipment, visit www.medicare.gov/Publications/Pubs/pdf/11045.pdf to view "Medicare Coverage of Durable Medical Equipment and Other Devices." You can also call 1-800-MEDICARE.