

DEPARTMENT OF HEALTH SERVICES
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January 31, 2002

N. L.: 02-0102
Index: Benefits
Subject: Pulse Oximeter, DME
SUPERSEDES N.L.: 01-0191

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM
ADMINISTRATORS, MEDICAL CONSULTANTS, AND STATE
CHILDREN'S MEDICAL SERVICES (CMS) STAFF

SUBJECT: PULSE OXIMETERS

The purpose of this numbered letter is to provide independent county CCS programs and CMS Branch regional offices with policy guidelines for determining medical necessity and for authorizing pulse oximeters and pulse oximeter probes/sensors. The pulse oximeter and accessories are a benefit for children case managed by the CCS program, regardless of payer source. This numbered letter supersedes Numbered Letter 01-0191: Pulse Oximetry.

I. BACKGROUND

A pulse oximeter is a durable medical equipment device that uses a non-invasive probe or sensor to monitor the percent of hemoglobin oxygen saturation in the blood. A pulse oximeter probe or sensor attached to the earlobe, finger, toe, or other body area is used to monitor oxygen saturation on a continuous or intermittent basis, often once per hour, or more frequently during naps, feeding, or exercise.

Previously, pulse oximeters and accessories, e.g., probes/sensors, batteries, cables, required approval through the State CMS Branch as an Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Supplemental Service (SS) of the Medi-Cal Program. In addition, authorization of pulse oximeters and accessories for the CCS non-Medi-Cal eligible child required approval by the State CMS Branch regional office medical consultant. Effective the date of this letter, review and approval of pulse oximeters and accessories shall be performed through the independent county CCS programs and regional offices for dependent counties, regardless of the payer source.

II. POLICY

- A. Effective the date of this letter, pulse oximeters and accessories are CCS program medical benefits for CCS-eligible children and may be authorized when all of the following criteria are met:
1. The request is from a CCS Special Care Center (SCC) physician, i.e., pulmonologist, cardiologist, neurologist, physiatrist, or other appropriate medical specialist treating the child's CCS-medically eligible condition.
 2. The child requires adjustment of inspired oxygen flow because of fluctuating hemoglobin oxygen saturation levels and has at least one of the following:
 - a. The child has a tracheostomy and is ventilator dependent or
 - b. The child utilizes Continuous Positive Airway Pressure (CPAP) or Bi-Level Positive Airway Pressure (BiPap), with or without a tracheostomy, or
 - c. The child receives oxygen in the home, with or without a tracheostomy, or,
 - d. The child is less than three years of age and has complicated congenital heart disease or bronchopulmonary dysplasia.
 3. Documentation is provided that the child's family and/or caregiver has been trained by the prescribing SCC physician or designee in the use of the pulse oximeter, including interpretation of hemoglobin oxygen saturation readings.
 4. Medical documentation is provided for determining medical necessity for use of home pulse oximetry. This documentation shall include:
 - a. A completed CCS Pulse Oximeter Information signed by the CCS SCC physician, i.e., pulmonologist, cardiologist, neurologist, physiatrist, or other appropriate medical

specialist treating the child's CCS-medically eligible condition (see Enclosure A), and,

- b. A specific treatment plan for adjustment of inspired oxygen flow in response to oximeter readings.

B. If the child's medical condition does not meet the criteria above, but the child has other significant respiratory compromise or other hemoglobin oxygen saturation instability requiring oxygen saturation monitoring in the home, the CCS county medical consultant, in consultation with the regional office medical consultant, shall make the determination of medical necessity.

III. POLICY IMPLEMENTATION GUIDELINES

A. The county CCS medical consultant, or designee, shall:

1. Determine medical necessity for the pulse oximeter after review of the CCS EPSDT SS Pulse Oximeter Documentation Checklist (Enclosure B) and review of the criteria listed above in II. A. and B.
2. Inform the Durable Medical Equipment (DME) provider, via the authorization, of the claiming instructions for reimbursement.
3. Evaluate the cost of rental versus purchase of the pulse oximeter based on the anticipated length of time the pulse oximeter will be required. In general, it is less expensive to rent the pulse oximeter if the anticipated need is less than six months.

a. Pulse Oximeter

i. Rental

Rental of a pulse oximeter includes the pulse oximeter, batteries, and cables.

ii. Purchase

Purchase of a pulse oximeter includes the pulse oximeter, batteries, cable, and a manufacturer's warranty. In general, the manufacturer's warranty extends for two to three years from the time of purchase. Additional warranties beyond the manufacturer's warranty are not a covered benefit of the CCS program or the Medi-Cal program.

Note: To obtain full benefit of the manufacturer's warranty, purchase new equipment. Used equipment may have only a six-month warranty and therefore should not be purchased.

b. Probes/Sensors

i. Rental

Pulse oximeter probes/sensors are always purchased, not rented.

ii. Purchase

Pulse oximeter probes/sensors may be disposable or non-disposable.

Generally, two non-disposable probes/sensors are authorized for purchase at the same time (one for back-up). Usually, each probe has a one-year manufacturer's warranty.

The average usage of disposable probes/sensors is four to eight per month.

c. Replacement Parts, e.g., cables, batteries, permanent probes/sensors, or other pulse oximeter replacement parts for:

i. Rented Pulse Oximeter

Replacement parts are included in the rental rate and not separately authorized and reimbursed.

ii. Purchased Pulse Oximeter

Replacement parts may be authorized for purchase when the parts cannot be repaired and the manufacturer warranty has expired.

Note: Repair of a pulse oximeter and its replacement parts are a Medi-Cal benefit and do not require EPSDT SS authorization.

B. Instructions for issuing the authorization for pulse oximeters accessories

The authorization for a CCS eligible child who is full scope, no share of cost, Medi-Cal shall be provided as an EPSDT SS. The authorization for a child who is not eligible for full scope, no share of cost, Medi-Cal, shall be authorized as a CCS only benefit.

1. Pulse Oximeters – Instructions for rental or purchase

- d. The authorization shall include an effective beginning and end date, and
- e. The authorization shall provide specific instructions to the DME provider for preparing the claim. These instructions shall be written directly on the authorization. The authorization shall include:
 - i. An explanation of when to use the provider's Medi-Cal Provider Identification Number for the CCS-eligible children with full scope, no share of cost Medi-Cal or the CCS CGP Number for non-Medi-Cal as instructed in Numbered Letter 05-0896, and
 - ii. The DME Health Care Finance Administration Common Procedure Coding System (HCPCS) Miscellaneous "by-report code" "E1399," to be used for billing, and
 - iii. Instructions to bill the initial purchase or monthly rental of the pulse oximeter and all components (e.g., batteries or cables) as one cost, on one line of the claim form, using the HCPCS code E1399. This does

not include probes/sensors which shall be listed on a separate claim line, and

- iv. Instructions to attach to the claim the catalog pages(s) or provider's acquisition invoice for the pulse oximeter. The catalog page or invoice must clearly identify (by circling or underlining) the pulse oximeter that is being billed, and
- v. Directions to attach the catalog page(s) for all accessories, clearly identifying (by circling or underlining) the items being billed.

2. Probes/Sensors – Instructions for purchase

- a. Probes/Sensors are purchased, not rented.
- b. The probes/sensors are also billed using the miscellaneous HCPCS code E1399.
- c. The catalog page(s) or provider's acquisition invoice for the probes/sensors must be attached to the claim. The catalog page or invoice must clearly identify (by circling or underlining) the probes/sensors that are being billed.
- d. When claiming for the probes/sensors with the purchase or rental of the pulse oximeter, the probes/sensors are to be billed on the same claim form as the pulse oximeter, but on a separate line. Attachments must be clearly marked to identify the claim line to which they correspond.

3. Replacement Parts

The replacement parts are purchased, not rented for the pulse oximeter, and shall be billed using the HCPCS code X2996.

- a. The catalog page(s) or provider's acquisition invoice for the replacement parts must be attached to the claim.
- b. The catalog page or invoice must clearly identify (by circling or underlining) the probes/sensors that are being billed.

Note: When the request for the pulse oximeter is for a child receiving EPSDT SS hourly or shift licensed skilled nursing services (private duty nursing) in the home and care is being coordinated by the Medi-Cal Operations Division, In-Home Operations Branch (IHO), a copy of the authorization for the pulse oximeter and accessories is to be sent to the IHO nurse case manager responsible for the CCS-eligible child's case.

1. The provider must have the following items attached to the claim:
 - a. The catalog page(s) or an invoice indicating the wholesale acquisition cost, and
 - b. A description of the specific pulse oximeter,
 - c. A copy of the CCS authorization, and
 - d. A copy of other health insurance coverage Explanation of Benefits, if applicable.
2. Pulse oximeter claims submitted for CCS-eligible children with full scope, no share of cost Medi-Cal shall be billed on a separate claim form submitted for EPSDT SS. Claims for these services shall be processed as specified in Numbered Letter 05-0896 (e.g., a TAR number entered on the claims for these services must contain ten zeros plus a "four").
3. Pulse oximeter claims submitted for children who are not eligible for full scope, no share of cost, Medi-Cal shall be processed as follows:
 - a. Counties whose claims are adjudicated by Electronic Data System, claims shall be processed as specified in Numbered Letter 05-0896.
 - b. Independent counties processing and adjudicating CCS claims shall follow the process specified in Numbered Letter 05-0896.

If you have any questions regarding this policy, please contact your regional office medical consultant.

Original Signed By

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch

Enclosures A and B

ENCLOSURE A

Initial Request
Renewal

Date _____

CCS PULSE OXIMETER INFORMATION
For Use by Physicians and SCC Staff

THE COMPLETED INFORMATION SIGNED BY THE PHYSICIAN, shall be forwarded to the local CCS Program or CCS Regional Office

Patient Name: _____ DOB: _____ Age: _____

Diagnosis (List all pertinent, be specific): _____

Hospital admissions past year - give dates, hospital and diagnosis: _____

Tracheostomy: Yes No Oxygen requirement - % flow: _____

Number of hours oxygen is needed each day: Continuously _____ Day Night

Ventilator Dependent: Yes No Weaning off of a ventilator: Yes No

CPAP: Yes No BiPAP: Yes No At night only: Yes

No

Give recent oximeter readings, include range, average, and dates. Describe fluctuation(s): _____

Has the caregiver been trained on how to use the pulse oximeter and what to do? Yes No

Estimate length of time oximeter will be needed: 3 months 6 months 12 Months
Greater than 12 Months Lifetime need

Describe specific treatment plan as it relates to adjustment of oxygen to oxygen saturation:
(may attach additional page)

Requesting physician's specialty: _____

Requesting physician's CCS Special Care Center: _____

Physician's Signature _____ Date: _____

Print physician's name _____ License Number: _____

Attach physician's recent Special Care Center report, and outpatient evaluation and notes. Also, attach a copy of H&P and discharge summary of most recent hospitalization or a progress summary if currently an inpatient. These reports must be submitted for review of all requests.

SPECIFIC PULSE OXIMETER

Model requested: _____ Brand: _____
Cost for monthly rental or purchase of this model: \$ _____

Explain why this model is the only model that will meet the needs of this child: _____

ENCLOSURE B

CCS EPSDT SS PULSE OXIMETER REQUEST CHECKLIST For Use by CCS Program Staff

____ CCS Pulse Oximeter Information Enclosure A completed and signed by a CCS-paneled Special Care Center (SCC) physician.

____ Current History and Physical or current Discharge Summary.

____ Full SCC report that specifically justifies the request for a pulse oximeter, including the following:

- Documentation of significant respiratory or cardiopulmonary disease requiring continuous in-home monitoring.
- The frequency of monitoring and monitor readings

____ Current oxygen flow rate(s) and duration of oxygen use per 24 hours.

____ Does the child have a tracheostomy?

____ Is child on a ventilator in the home? If yes, how many hours per day?

- Weaning off of the ventilator?
- CPAP? Night only?
- BiPAP? Night only?

____ Current hemoglobin oxygen saturation readings if pulse oximeter is already in the home.

____ What other related equipment is in the home, e.g., apnea monitor?

____ Rental versus purchase.

____ Anticipated length of time for home hemoglobin oxygen saturation monitoring will be needed.

____ Documentation that parent has been trained in the use of, and interpretation of the pulse oximeter readings.

____ Explanation of treatment plan and interventions the caregiver will provide based on the oximeter readings, such as:

- child's variable oxygen needs requiring immediate changes by caregiver
- oxygen adjustment by caregiver as prescribed by the physician
- suctioning or position changes

____ Is the child receiving licensed skilled nursing services in the home? If so, how many hours per day? Is it EPSDT SS Nursing Services through In-Home Operations?