

Oxygen for patients with Obstructive Sleep Apnea (OSA), Polysomnography and Home Sleep Tests

Some beneficiaries may require the simultaneous use of home oxygen therapy with a PAP device. To be considered for simultaneous coverage, all requirements in the Coverage Indications, Limitations and/or Medical Necessity for both the Oxygen and Oxygen Equipment and Positive Airway Pressure (PAP) Devices for the Treatment of Obstructive Sleep Apnea LCDs must be met. Consequently, in addition to this Oxygen LCD, suppliers should refer to the Positive Airway Pressure (PAP) Devices for the Treatment of Obstructive Sleep Apnea LCD and related Policy Article for additional coverage, coding and documentation requirements.

Coverage of home oxygen therapy requires that the beneficiary be tested in the “chronic stable state”, and not during a period of acute illness or an exacerbation of their underlying disease. Thus, all co-existing diseases or conditions that can cause hypoxia must be treated and the beneficiary must be in a chronic stable state before oxygen therapy is considered eligible for payment. In addition, the beneficiary must have a severe lung disease, such as chronic obstructive pulmonary disease, diffuse interstitial lung disease, cystic fibrosis, bronchiectasis, widespread pulmonary neoplasm, or hypoxia-related symptoms or findings that might be expected to improve with oxygen therapy. In the case of OSA, it is required that the OSA be appropriately and sufficiently treated such that the beneficiary is in the chronic stable state before oxygen saturation results obtained during sleep testing are considered qualifying for oxygen therapy (see PAP LCD for additional information).

For beneficiaries with OSA, this means that the OSA must be sufficiently treated such that the underlying severe lung disease is unmasked. This must be demonstrated before oxygen saturation results obtained during polysomnography are considered qualifying for oxygen therapy.

For beneficiaries with OSA, a qualifying oxygen saturation test may only occur during a titration polysomnographic study (either split night or stand-alone). **The titration PSG is one in which all of the following criteria are met:**

- 1.) *The titration is conducted over a minimum of two (2) hours; and*
- 2.) *During titration:*
 - A.) *The AHI/RDI is reduced to less than or equal to an average of ten (10) events per hour; or*
 - B.) *If the initial AHI/RDI was less than an average of ten (10) events per hour, the titration demonstrates further reduction in the AHI/RDI; and*
- 3.) *Nocturnal oximetry conducted for the purpose for oxygen reimbursement qualification may only be performed after optimal PAP settings have been determined and the beneficiary is using the PAP device at those settings; and*
- 4.) *The nocturnal oximetry conducted during the PSG demonstrates an oxygen saturation $\leq 88\%$ for 5 minutes total (which need not be continuous)*

If all of the above criteria are met, for the purposes of a qualifying oxygen saturation test, the beneficiary is considered to be in the “chronic stable state.” To be eligible for Medicare coverage and payment for home oxygen therapy for concurrent use with PAP therapy, in addition to being in the chronic stable state, the beneficiary must meet all other coverage requirements for oxygen therapy. Beneficiaries that qualify for oxygen therapy based on testing conducted only during the course of a sleep test are eligible only for reimbursement of stationary equipment.

Overnight oximetry performed as part of home sleep testing or as part of any other home testing is not considered as eligible to be used for qualification for reimbursement of home oxygen and oxygen equipment (see overnight oximetry section above for additional information).

Claims for oxygen equipment and supplies for beneficiaries who do not meet the coverage requirements for home oxygen therapy will be denied as not reasonable and necessary.

*** This has been pulled directly from the Medicare Local Coverage Determination ***

