
42 C.F.R. § 414.226

Oxygen and oxygen equipment.

- (a) *Payment rules*—(1) *Oxygen equipment*. Payment for rental of oxygen equipment is made based on a monthly fee schedule amount during the period of medical need, but for no longer than a period of continuous use of 36 months. A period of continuous use is determined under the provisions in § 414.230.
- (2) *Oxygen contents*. Payment for purchase of oxygen contents is made based on a monthly fee schedule amount until medical necessity ends.
- (b) *Monthly fee schedule amount for items furnished prior to 2007*. (1) Monthly fee schedule amounts are separately calculated for the following items:
- (i) Stationary oxygen equipment and oxygen contents (stationary and portable oxygen contents).
 - (ii) Portable oxygen equipment only.
 - (iii) Stationary and portable oxygen contents only.
 - (iv) Portable oxygen contents only.
- (2) For 1989 and 1990, the monthly fee schedule amounts are the local payment amounts determined as follows:
- (i) The carrier determines the base local average monthly payment rate equal to the total reasonable charges for the item for the 12-month period ending December 1986 divided by the total number of months for all beneficiaries receiving the item for the same period. In determining the local average monthly payment rate, the following limitations apply:
 - (A) Purchase charges for oxygen systems are not included as items classified under paragraph (b)(1)(i) of this section.
 - (B) Purchase charges for portable equipment are not included as items classified under paragraph (b)(1)(ii) of this section.
 - (ii) The carrier determines the local monthly payment amount equal to 0.95 times the base local average monthly payment amount adjusted by the change in the CPI-U for the six-month period ending December 1987.
- (3) For 1991 through 2006, the fee schedule amounts for items described in paragraphs (b)(1)(iii) and (iv) of this section are determined using the methodology contained in § 414.220(d), (e), and (f).
- (4) For 1991 through 2006, the fee schedule amounts for items described in paragraphs (b)(1)(i) and (ii) of this section are determined using the methodology contained in § 414.220(d), (e), and (f).
- (5) For 2005 and 2006, the fee schedule amounts determined under paragraph (b)(4) of this section are reduced using the methodology described in section 1834(a)(21)(A) of the Act.
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(c) *Monthly fee schedule amount for items furnished from 2007 through 2018.* (1) For 2007, national limited monthly payment rates are calculated and paid as the monthly fee schedule amounts for the following classes of items:

(i) Stationary oxygen equipment (including stationary concentrators) and oxygen contents (stationary and portable).

(ii) Portable equipment only (gaseous or liquid tanks).

(iii) Oxygen generating portable equipment only.

(iv) Stationary oxygen contents only.

(v) Portable oxygen contents only.

(2) The national limited monthly payment rate for items described in paragraph (c)(1)(i) of this section is equal to the weighted average fee schedule amount established under paragraph (b)(5) of this section reduced by \$1.44.

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