



State of New Mexico  
Medical Assistance Program Manual  
**Supplement**



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**TO:** ALL DURABLE MEDICAL EQUIPMENT PROVIDERS  
**FROM:** CAROLYN INGRAM, DIRECTOR, MEDICAL ASSISTANCE DIVISION  
**BY:** ROSE M. ARMIJO, PROGRAM MANAGER, BENEFITS BUREAU  
**SUBJECT: BILLING FOR OXYGEN CONTENTS**

Effective January 2003, the Healthcare Common Procedure Code (HCPC) description for oxygen contents (E0441, E0442, E0443 and E0444) was changed to read that one month's supply = 1 unit of service. Therefore, all gaseous and liquid oxygen content refills provided to a client in a single month must be billed as one unit of service. Medicaid utilizes the Medicare fee schedule to establish reimbursement for durable medical equipment/medical supplies and oxygen services. The fees established by Medicare for these oxygen content codes are set to pay for the monthly oxygen content service. Although the billing instructions were not updated to include this change, providers of these services must bill according to the description of the procedure code.

Medicaid policy requires providers to bill the lesser of the usual and customary charge for the item or service, or the actual acquisition cost plus a percentage as described in MAD-754.7.A, of the Durable Medical Equipment and Medical Supply Section of the Program Policy Manual. The policy for the providers' billed charged has not changed.

Recipients in nursing facilities are eligible for coverage of oxygen contents. The administration equipment and disposable supplies must be provided by the facility. However, the provider must always take into consideration the most cost effective way to provide the service whether the client is outpatient or in a nursing facility. If warranted by the client's oxygen requirements, daily requirements and liter flow, a concentrator rental rather than oxygen contents will be covered per MAD-754.33.6.A. Coverage of a concentrator or liquid unit requires prior authorization.

Please review your billing process to assure that billing is being done according to Medicaid policy. Revised Billing Instructions are being written, and will be forwarded soon. Also, please refer to policy MAD-754 at <http://www.state.nm.us/hsd/mad/Index.html>. For specific questions, please call Rose Armijo, Benefits Bureau at (505) 827-3189.