

CHAPTER 13
SECTION 3.3

OXYGEN AND RELATED SUPPLIES

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I. ISSUE

How are oxygen and supplies related to the use of oxygen to be reimbursed?

II. POLICY

A. Payments may be made for oxygen and for the rental of the oxygen tank when the use of oxygen is determined to be medically necessary, and in accordance with the CFR.

B. Usually, when a dealer supplies a tank of oxygen, the claim covers both the rental of the tank and purchase of the oxygen.

C. The tank rental charge is usually a monthly charge and shall be determined by the contractor using the regular allowable charge methodology. The contractor shall allow a monthly rental charge on only one tank each month. This would include situations where the tank is replaced during the month because of damage, malfunction, or because the oxygen is used up, etc. In cases where a beneficiary requires more oxygen during a month than is contained in one oxygen tank, payment for the extra oxygen should be allowed, but no extra rental charge for the oxygen tank should be allowed for the remaining days of the month. In other words, where the contractor receives a bill for the rental of two tanks of oxygen during a month, the allowable rental charge should not exceed the amount allowable for one tank used during the month.

D. When claims are received for partially used tanks, the contractor should, to the extent possible, pay only for the oxygen used. When a tank of oxygen is used up before the month is over and the empty tank is returned to the supplier, the rental charge allowed should be prorated, to the extent practicable, based on the number of days in the month the tank was used by the beneficiary.

E. The TRICARE/CHAMPUS national allowable charge system used to reimburse professional services discussed in the [Chapter 13, Section 1.1](#), [Section 1.2](#), [Section 1.3](#), and [Section 1.5](#) does not apply to oxygen/supplies claims. The above reimbursement guidelines are to be used by the contractors.

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