Important!

Fee Schedule Catalog Established as Separate Publication

Effectively with the 1997 fee schedule update, a separate fee schedule catalog will be established. Traditionally, the fee schedule has been published in the December issues of the DMERC Medicare Advisory. However, to avoid delay in publishing the December 1996 DMERC Medicare Advisory/Manual Revisions, a separate pricing catalog will be published and mailed to Region C suppliers in January of 1997. Updates to the fee schedule will continue to be provided in the quarterly DMERC Medicare Advisories.

Alabama  Arkansas  Colorado  Florida
Georgia  Kentucky  Louisiana  Mississippi
New Mexico  North Carolina  Oklahoma  Puerto Rico
South Carolina  Tennessee  Texas  Virgin Islands
NEW MEDICAL POLICY RELEASED

Subject: Nebulizers

HCPCS codes

The appearance of a code in this section does not necessarily indicate coverage.

Equipment

E0565–Compressor, air power source, for equipment which is not self-contained or cylinder driven
E0570–Nebulizer with compressor
E0575–Nebulizer, ultrasonic
E0585–Nebulizer, with compressor and heater
*E1375–Nebulizer, portable with small compressor, with limited flow
K0269–Aerosol compressor, adjustable pressure, light duty for intermittent use
K0270–Ultrasonic generator with small volume ultrasonic chamber for medication delivery
K0501–Aerosol compressor, battery powered, for use with small volume nebulizer

(* – This code is not valid for claims as of the effective date of this policy)

Accessories

A4619–Face tent
A4621–Tracheostomy mask or collar
E0580–Nebulizer, durable, glass or autoclavable plastic, bottle type, for use with regulator or flowmeter
E1372–Immersion external heater for nebulizer
K0168–Administration set, small volume nonfiltered pneumatic nebulizer, disposable
K0169–Small volume nonfiltered pneumatic nebulizer, disposable
K0170–Administration set, small volume nonfiltered pneumatic nebulizer, non-disposable
K0171–Administration set, small volume filtered pneumatic nebulizer
K0172–Large volume nebulizer, disposable, unfilled, used with heavy duty aerosol compressor
K0173–Large volume nebulizer, disposable, prefilled, used with aerosol compressor
K0174–Reservoir bottle, non-disposable, used with large volume ultrasonic nebulizer
K0175–Corrugated tubing, disposable, used with large volume nebulizer, 100 feet
K0176–Corrugated tubing, non-disposable, used with large volume nebulizer, 10 feet
K0177–Water collection device, used with large volume nebulizer
K0178–Filter, disposable, used with aerosol compressor
K0179–Filter, non-disposable, used with aerosol compressor or ultrasonic generator
K0180–Aerosol mask, used with DME nebulizer
K0181–Dome and mouthpiece, used with small volume ultrasonic nebulizer
K0530–Nebulizer, durable, glass or autoclavable plastic, bottle type, not used with oxygen therapy

Inhalation Drugs

J2545–Pentamidine isethionate, inhalation solution, per 300 mg, administered through DME
J7051–Sterile saline or water, up to 5 cc
J7699–NOC drugs, inhalation solution administered through DME
K0182–Water, distilled, 1000 ml, used with large volume nebulizer
K0283–Saline solution, per 10 ml, metered dose dispenser, for use with inhalation drugs
K0503–Acetylcysteine, inhalation solution administered through DME, unit dose form, per gram
K0504–Albuterol, inhalation solution administered through DME, concentrated form, per milligram
NEBULIZER MEDICAL POLICY
(continued)

K0505–Albuterol, inhalation solution administered through DME, unit dose form, per milligram
K0506–Atropine, administered through DME, concentrated form, per milligram
K0507–Atropine, inhalation solution administered through DME, unit dose form, per milligram
K0508–Bitolterol mesylate, inhalation solution administered through DME, concentrated form, per milligram
K0509–Bitolterol mesylate, inhalation solution administered through DME, unit dose form, per milligram
K0511–Cromolyn sodium, inhalation solution administered through DME, unit dose form, per 10 milligrams
K0512–Dexamethasone, inhalation solution administered through DME, concentrated form, per milligram
K0513–Dexamethasone, inhalation solution administered through DME, unit dose form, per milligram
K0514–Dornase alpha, inhalation solution administered through DME, unit dose form, per milligram
K0515–Glycopyrrolate, administered through DME, concentrated form, per milligram
K0516–Glycopyrrolate, inhalation solution administered through DME, unit dose form, per milligram
K0518–Ipratropium bromide, inhalation solution administered through DME, unit dose form, per milligram
K0519–Isoetharine HCL, inhalation solution administered through DME, concentrated form, per milligram
K0520–Isoetharine HCL, inhalation solution administered through DME, unit dose form, per milligram
K0521–Isoproterenol HCL, inhalation solution administered through DME, concentrated form, per milligram
K0522–Isoproterenol HCL, inhalation solution administered through DME, unit dose form, per milligram
K0523–Metaproterenol sulfate, inhalation solution administered through DME, concentrated form, per 10 milligrams
K0524–Metaproterenol sulfate, inhalation solution administered through DME, unit dose form, per 10 milligrams
K0525–Terbutaline sulfate, administered through DME, concentrated form, per milligram
K0526–Terbutaline sulfate, inhalation solution administered through DME, unit dose form, per milligram
K0527–Triamcinolone, administered through DME, concentrated form, per milligram
K0528–Triamcinolone, administered through DME, unit dose form, per milligram
K0529–Sterile water or sterile saline, 1000 ml, used with large volume nebulizer
Q0132–Dispensing fee for covered drug administered through DME nebulizer

HCPCS modifiers

KO–Single drug unit dose formulation
KP–First drug of a multiple drug unit dose formulation
KQ–Second or subsequent drug of a multiple drug unit dose formulation

Benefit category

Durable Medical Equipment

Reference

Coverage Issue Manual 60-9
NEBULIZER MEDICAL POLICY
(continued)

Definitions

Equipment

In this policy, the actual equipment (i.e., electrical device) will generally be referred to as either a compressor (when nebulization of liquid is achieved by means of air flow) or as a generator (when nebulization of liquid is achieved by means of ultrasonic vibrations). The term nebulizer is generally used for the actual chamber in which the nebulization of liquid occurs and is an accessory to the equipment. The nebulizer is attached to an aerosol compressor or an ultrasonic generator in order to achieve a functioning delivery system for aerosol therapy.

Code E0565 describes an aerosol compressor which can be set for pressures above 30 psi at a flow of 6-8 L/m and is capable of continuous operation.

A nebulizer with compressor (E0570) is an aerosol compressor which delivers a fixed, low pressure and is used with a small volume nebulizer. It is only AC powered.

A portable compressor (K0501) is an aerosol compressor which delivers a fixed, low pressure and is used with a small volume nebulizer. It must have battery or DC power capability and may have an AC power option.

A light duty adjustable pressure compressor (K0269) is a pneumatic aerosol compressor which can be set for pressures above 30 psi at a flow of 6-8 L/m, but is capable only of intermittent operation.

Code K0270 describes an ultrasonic generator used with a small volume chamber for medication delivery which is capable only of intermittent operation.

Code E0575 describes a large volume ultrasonic nebulizer system which is used for medication and humidification delivery, and which is capable of continuous operation.

Accessories

Code K0168, K0170, and K0171 include the lid, jar, baffles, tubing, T-piece and mouthpiece. In addition, code K0171 includes a filter.

Code K0169 includes only the lid, jar and baffles.

Code K0177 describes a device to collect water condensation which is placed in line with the corrugated tubing used with a large volume nebulizer.

Inhalation Drugs

Unit dose form of an inhalation drug or a combination of drugs is one in which the medication is dispensed to a patient (1) in a bottle/ vial/ ampule which contains the dose usually used for a single inhalation treatment, and (2) in a concentration which is dilute enough that it may be administered to a patient without adding any separate diluent.

Concentrated form of a drug used for inhalation is one in which the drug is dispensed to a patient in a concentration which requires that a separate diluent (usually saline) be added to the nebulizer when the drug is administered to a patient.

Coverage and payment rules

A small volume nebulizer and related compressor (E0570, K0501, K0168, K0169, K0170, K0171) are covered when:
Nebulizer Medical Policy
(continued)

(a) it is medically necessary to administer beta-adrenergics, anticholinergics, corticosteroids, and cromolyn for the management of obstructive pulmonary disease (ICD-9-CM codes 491.0 - 505); or

(b) it is medically necessary to administer gentamicin, tobramycin, amikacin, or dornase alfa to a patient with cystic fibrosis (ICD-9-CM code 277.00); or

(c) it is medically necessary to administer pentamidine to patients with HIV (ICD-9-CM code 042); or

(d) it is medically necessary to administer mucolytics (other than dornase alpha) for persistent thick or tenacious pulmonary secretions (ICD-9-CM code 786.4).

Use of inhalation drugs, other than those listed above, will be denied as not medically necessary.

For criterion (a) to be met, the physician must have considered use of a metered dose inhaler (MDI) with and without a reservoir or spacer device and decided that, for medical reasons, it was not sufficient for the administration of needed inhalation drugs. The reason for requiring a small volume nebulizer and related compressor/generator instead of or in addition to an MDI must be documented in the patient's medical record and be available to the DMERC on request.

If none of the drugs used with a nebulizer are covered, the nebulizer and its accessories/supplies will be denied as not medically necessary.

A large volume nebulizer (K0530), related compressor (E0565 or K0269), and water or saline (K0182 or K0529) are covered when it is medically necessary to deliver humidity to a patient with thick, tenacious secretions, who has cystic fibrosis (ICD-9-CM code 277.00), bronchiectasis (ICD-9-CM code 494 or 748.61), or a tracheostomy (ICD-9-CM code V44.0 or V55.0). Combination code E0585 will be covered for the same indications. An E0565 or K0269 compressor and filtered nebulizer (K0171) are also covered when it is medically necessary to administer pentamidine to patients with HIV (ICD-9-CM code 042). If a large volume nebulizer, related compressor/generator, and water or saline are used predominantly to provide room humidification it will be denied as noncovered.

Because there is no proven medical benefit to nebulizing particles to diameters smaller than achievable with a pneumatic model, when a small volume ultrasonic nebulizer (K0270) is ordered, it will be reimbursed at the least costly alternative of a pneumatic compressor (E0570).

Similarly, a large volume ultrasonic nebulizer (E0575) offers no proven clinical advantage over a pneumatic compressor. However, since code E0575 is in a different payment category than pneumatic compressors, payment for a least costly alternate cannot be made. Therefore, when an E0575 nebulizer is provided, it will be denied as not medically necessary as will any related accessories and supplies.

A battery powered compressor (K0501) is rarely medically necessary. If this compressor is provided without accompanying documentation which justifies its medical necessity, and the coverage criteria for code E0570 are met, payment will be based on the allowance for the least costly medically acceptable alternative, E0570.

Other uses of compressors/generators will be considered individually on a case by case basis, to determine their medical necessity.

Accessories

A large volume pneumatic nebulizer (E0580) and water or saline (K0182 or K0529) are not separately
NEBULIZER MEDICAL POLICY
(continued)

payable and should not be separately billed when used for patients with rented home oxygen equipment.

Disposable large volume nebulizers (K0172 and K0173) are noncovered under the DME benefit because they are convenience items. A nondisposable unfilled nebulizer (K0530 or E0585) filled with distilled water (K0182) by the patient/caregiver is an acceptable alternative.

Kits and concentrates for use in cleaning respiratory equipment will be denied as noncovered.

Accessories are separately payable if the related aerosol compressor and the individual accessories are medically necessary. The following table lists the compressor/generator which is related to the accessories described. Other compressor/generator/accessory combinations are considered medically unnecessary.

<table>
<thead>
<tr>
<th>Compressor/Generator</th>
<th>Related Accessories</th>
</tr>
</thead>
<tbody>
<tr>
<td>E0565</td>
<td>A4619, A4621, K0530, E1372, K0171, K0175, K0176, K0177, K0179, K0180</td>
</tr>
<tr>
<td>E0570</td>
<td>A4621, K0168, K0169, K0170, K0171, K0178, K0180</td>
</tr>
<tr>
<td>K0269</td>
<td>K0529, K0171, K0179</td>
</tr>
<tr>
<td>K0270</td>
<td>K0179, K0181</td>
</tr>
<tr>
<td>K0501</td>
<td>A4621, K0168, K0169, K0170, K0171, K0178, K0180</td>
</tr>
</tbody>
</table>

This array of accessories represents all possible combinations but it may not be appropriate to bill any or all of them for one device.

The following table lists the usual maximum frequency of replacement for accessories. Claims for more than the usual maximum replacement amount will be denied as not medically necessary unless the claim is accompanied by documentation which justifies a larger quantity in the individual case.

<table>
<thead>
<tr>
<th>Accessory</th>
<th>Usual maximum replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4619</td>
<td>One/ month</td>
</tr>
<tr>
<td>A4621</td>
<td>One/ month</td>
</tr>
<tr>
<td>K0530</td>
<td>One/ 3 years</td>
</tr>
<tr>
<td>E1372</td>
<td>One/ 3 years</td>
</tr>
<tr>
<td>K0168</td>
<td>Two /month</td>
</tr>
<tr>
<td>K0169</td>
<td>Two /month (in addition to K0168)</td>
</tr>
<tr>
<td>K0170</td>
<td>One/ 6 months</td>
</tr>
<tr>
<td>K0171</td>
<td>One/month</td>
</tr>
<tr>
<td>K0175</td>
<td>One unit (100 ft.) /2 months</td>
</tr>
<tr>
<td>K0176</td>
<td>One/year</td>
</tr>
<tr>
<td>K0177</td>
<td>Two /month</td>
</tr>
<tr>
<td>K0178</td>
<td>Two/month</td>
</tr>
<tr>
<td>K0179</td>
<td>One/ 3 months</td>
</tr>
<tr>
<td>K0180</td>
<td>One/ month</td>
</tr>
<tr>
<td>K0181</td>
<td>Two /year</td>
</tr>
</tbody>
</table>

Inhalation Drugs and Solutions

For all inhalation drugs and solutions, claims for dispensed quantities greater than would be
NEBULIZER MEDICAL POLICY
(continued)

reasonable based on usual suggested dosing guidelines will be denied as not medically necessary unless accompanied by medical necessity documentation justifying these unexpected quantities. The supplier is responsible for assessing how much inhalation solution a patient is actually using. Considering this information, the supplier is responsible for assuring that the patient usually has no more than one month's supply on hand at any time.

The following table represents the maximum milligrams/month of inhalation drugs that would be reasonably billed for each nebulized drug. Claims for more than these amounts of drugs will be denied as not medically necessary unless accompanied by documentation which justifies a larger amount in the individual case.

Acetylcysteine: up to 74 grams/month
Albuterol sulfate: up to 465 mg/month
Atropine: up to 186 mg/month
Bitolterol: up to 434 mg/month
Cromolyn sodium: up to 2480 mg/month (248 units/month)
Dornase alpha: up to 78 mg/month
Glycopyrrolate: up to 75 mg/month
Ipratropium bromide: up to 90 mg/month
Isoetharine: up to 930 mg/month
Isoproterenol: up to 450 mg/month
Metaproterenol: up to 2800 mg/month (280 units/month)
Pentamidine: up to 300 mg/month
Terbutaline: up to 186 mg/month
Sterile saline or water, up to 5cc/unit (J7051): up to 186 units/month
Saline solution, metered dose, 10 ml/unit (K0283): up to 60 units/month
Distilled water, sterile water, or sterile saline in large volume nebulizer: up to 18 liters/month

When a "concentrated form" of an inhalation drug is dispensed, separate saline solution (J7051 or K0283) used to dilute it will be separately reimbursed. Saline dispensed for the dilution of concentrated nebulizer drugs must be billed on the same claim as the drug(s) being diluted. If the unit dose form of the drug is dispensed, separate saline solution (J7051 or K0283) will be denied as not medically necessary. Water or saline in 1000 ml quantities (K0182 or K0529) are not appropriate for use by patients to dilute inhalation drugs and will therefore be denied as not medically necessary if used for this purpose. These codes are only medically necessary when used in a large volume nebulizer (K0530 or E0585).

Albuterol, bitolterol, epinephrine, isoetharine, isoproterenol, metaproterenol, and terbutaline are all bronchodilators with beta-adrenergic stimulatory effect. It would rarely be medically necessary for a patient to be using more than one of these at a time. The use of more than one of these drugs at the same time will be denied as not medically necessary without documentation of medical necessity.

Ipratropium bromide, atropine, and glycopyrrolate are all anticholinergics. It would rarely be medically necessary for a patient to be using any more than one of these at a time. The use of more than one of these drugs at the same time will be denied as not medically necessary without documentation of medical necessity.

Dornase alpha is covered for patients with cystic fibrosis (ICD-9 277.00) who have a history of 2 respiratory infections requiring parenteral antibiotics during the year prior to initiation of dornase alpha and have a forced vital capacity equal to or greater than 40% of predicted value.

Because of the difference in preparation costs, the allowance per mg for a single drug dispensed as a unit dose formulation (e.g. K0505KO) will be higher than the allowance per mg. for the same drug dispensed in a concentrated form (e.g. K0504). However, if multiple inhalation drugs are dispensed in a single container, only one of the drugs (i.e., that drug billed with the KP modifier) will be reimbursed.