Centers for Medicare & Medicaid Services, HHS § 414.220

payment for maintenance and servicing of all oxygen equipment other than liquid or gaseous equipment (stationary or portable).

(iv) The supplier must visit the beneficiary’s home (including an institution used as the beneficiary’s home) to inspect the equipment during the first month of the 6-month period.

(f) Payment for replacement of equipment. If an item of DME or a prosthetic or orthotic device paid for under this subpart has been in continuous use by the patient for the equipment’s reasonable useful lifetime or if the carrier determines that the item is lost, stolen, or irreparably damaged, the patient may elect to obtain a new piece of equipment.

(1) The reasonable useful lifetime of DME or prosthetic and orthotic devices is determined through program instructions. In the absence of program instructions, carriers may determine the reasonable useful lifetime of equipment but in no case can it be less than 5 years. Computation is based on when the equipment is delivered to the beneficiary, not the age of the equipment.

(2) If the beneficiary elects to obtain replacement oxygen equipment, payment is made in accordance with §414.226(a).

(3) If the beneficiary elects to obtain a replacement capped rental item, payment is made in accordance with §414.229(a)(2) or (a)(3).

(4) For all other beneficiary-owned items, if the beneficiary elects to obtain replacement equipment, payment is made on a purchase basis.

§ 414.220 Inexpensive or routinely purchased items.

(a) Definitions. (1) Inexpensive equipment means equipment the average purchase price of which did not exceed $150 during the period July 1986 through June 1987.

(2) Routinely purchased equipment means equipment that was acquired by purchase on a national basis at least 75 percent of the time during the period July 1986 through June 1987.

(3) Accessories. Effective January 1, 1994, accessories used in conjunction with a nebulizer, aspirator, or ventilator excluded from §414.222 meet the definitions of “inexpensive equipment” and “routinely purchased equipment” in paragraphs (a)(1) and (a)(2) of this section, respectively.

(b) Payment rules. (1) Subject to the limitation in paragraph (b)(3) of this section, payment for inexpensive and routinely purchased items is made on a rental basis or in a lump sum amount for purchase of the item based on the applicable fee schedule amount.

(2) Effective January 1, 1994, payment for ostomy supplies, tracheostomy supplies, urologicals, and surgical dressings not furnished as incident to a physician’s professional service or furnished by an HHA is made using the methodology for the inexpensive and routinely purchased class.

(3) The total amount of payments made for an item may not exceed the fee schedule amount recognized for the purchase of that item.

(c) Fee schedule amount for 1989 and 1990. The fee schedule amount for payment of purchase or rental of inexpensive or routinely purchased items furnished in 1989 and 1990 is the local payment amount determined as follows:

(1) The carrier determines the average reasonable charge for inexpensive or routinely purchased items that were furnished during the period July 1, 1986 through June 30, 1987 based on the mean of the carrier’s allowed charges for the item. A separate determination of an average reasonable charge is made for rental equipment, new purchased equipment, and used purchased equipment.

(2) The carrier adjusts the amount determined under paragraph (c)(1) of this section by the change in the level of the CPI-U for the 6-month period ending December 1987.

(d) Updating the local payment amounts for years after 1990. For each year subsequent to 1990, the local payment amounts of the preceding year are increased or decreased by the covered item update. For 1991 and 1992, the covered item update is reduced by 1 percentage point.

(e) Calculating the fee schedule amounts for years after 1990. For years
§ 414.222 Items requiring frequent and substantial servicing.

(a) Definition. Items requiring frequent and substantial servicing in order to avoid risk to the beneficiary’s health are the following:

(1) Ventilators (except those that are either continuous airway pressure devices or respiratory assist devices with bi-level pressure capability with or without a backup rate, previously referred to as “intermittent assist devices with continuous airway pressure devices”).

(2) Continuous and intermittent positive pressure breathing machines.

(3) Continuous passive motion machines.

(4) Other items specified in CMS program instructions.

(5) Other items identified by the carrier.

(b) Payment rule. Rental payments for items requiring frequent and substantial servicing are made on a monthly