

+ **AMERICAN LUNG ASSOCIATION®**
Fighting for Air

NATIONAL HEADQUARTERS

February 11, 2009

Charles D. Connor
President &
Chief Executive Officer

The Office of the Administrator
Medicare
Centers for Medicare and Medicaid Services
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To Whom It May Concern:

On behalf of the 35 million Americans living with lung disease, especially those who require oxygen, I am writing today to ask for further clarification about the home oxygen regulations that took effect on January 1, 2009.

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Below please find a form letter from Walgreens Home Care notifying their customers that they will now charge a delivery fee to home oxygen patients who have rented their equipment for longer than 36 months. Walgreens also states they will now begin to charge a per-pound filling charge to patients as well.

www.LungUSA.org

Please inform me if additional charges, such as these, are permissible. Did Medicare envision that these types of additional charges would be levied by suppliers once the regulations went into effect? Will Medicare be providing beneficiaries with further guidance on permissible and inappropriate charges? Will Medicare be providing suppliers with additional guidance on permissible and inappropriate charges and take steps to halt any charges that are not permitted? What recourse do beneficiaries have, if they are being charged excessive or inappropriate fees?

Stephen J. Nolan, Esq.
Chair

Mary H. Partridge
Chair-elect

I look forward to hearing from you.

Bruce A. Herring
Past-Chair

Sincerely,

H. James Gooden
Secretary



Terrence L. Johnston
Treasurer

Charles D. Connor
President and CEO

Albert J. Rizzo, MD
Nationwide Assembly Speaker

Cc: The Hon Max Baucus, Chair, Senate Finance Committee
The Hon. Charles Grassley, Ranking Member, Senate Finance Committee
The Hon. Charles Rangel, Chair, House Ways & Means Committee
The Hon. Dave Camp, Ranking Member, House Ways & Means Committee
The Hon. Edolphus Towns, Chair, House Oversight & Government Reform Committee
The Hon. Darrell Issa, Ranking Member, House Oversight & Government Reform Committee

CUSTOMERS USING RENTAL OXYGEN EQUIPMENT

Dear Walgreens-OptionCare Oxygen Patient,

Beginning January 1, 2009, Medicare will no longer pay for the monthly rental charge of your oxygen equipment, including liquid stationary and portable units, if you have been renting the equipment from Walgreens-OptionCare for 36 months or longer. As a result, the following changes will occur with respect to the oxygen and equipment you receive from Walgreens-OptionCare.

Liquid Oxygen Stationary, Portable and Supplies

If you use a liquid oxygen stationary and portable unit you will no longer be billed for the equipment once the 36th month limit is reached. Walgreens-OptionCare will continue to maintain and service the equipment at no cost to you or Medicare. The equipment will remain the property of Walgreens-OptionCare but will remain with you until it is no longer medically necessary. You will be responsible to pay \$.75 per pound to fill the liquid stationary unit, in addition, there will be a delivery fee of \$50.00 for each delivery to your home, the delivery fee will be waived if your order is over \$150.00. Walgreens-OptionCare will make deliveries Monday-Friday, with no deliveries on Saturday or Sunday. Payment for the oxygen will be required at time of order.

The liquid oxygen contents for your stationary and portable units are covered by Medicare and will be billed for you by Walgreens-OptionCare. If you use both a liquid stationary unit and a portable unit two claims with the necessary paperwork will be sent to Medicare for a total maximum reimbursement of \$123.20 per month.

Examples:

Number of Liquid Pounds Filled	TOTAL OXYGEN CHARGE (AT \$.75/lbs)	Delivery Fee	Payment Due From Patient	ESTIMATED PAYMENT TO PATIENT FROM MEDICARE*	TOTAL PATIENT COST AFTER MEDICARE
100	\$ 75.00	\$ 50.00	\$125.00	\$ 61.60	\$ 63.40
150	\$112.50	\$ 50.00	\$165.50	\$ 61.60	\$ 103.90
200	\$150.00	\$ 0.00	\$150.00	\$ 61.60	\$ 88.40

*The monthly amount Medicare approves for liquid oxygen refills will differ by region. Medicare reimburses at 80% of the approved amount. For purposes of this example only, the monthly approved amount is \$77.00.