

NEBULIZERS - COVERAGE CRITERIA AND PHYSICIAN DOCUMENTATION REQUIREMENTS

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Dear Clinician,

Inhalation drugs are covered by Medicare Part B when the patient has a chronic pulmonary condition that will benefit from the use of inhalation therapy and they are administered using a durable medical equipment (DME) type of nebulizer (such as an aerosol pneumatic compressor). Inhalation drugs administered using metered dose inhalers or similar devices are eligible for coverage by Medicare Part D but not the Medicare Part B DME benefit. The information in this letter addresses only those drugs administered using a DME nebulizer.

Inhalation drugs, nebulizers, and related accessories are covered for the following conditions:

- **Chronic Obstructive Pulmonary Disease (COPD):** Beta agonists (albuterol, arformoterol, formoterol, levalbuterol, metaproterenol), anti-cholinergics (ipratropium, revefenacin), corticosteroids (budesonide), and cromolyn
- **Cystic Fibrosis:** Dornase alfa, tobramycin
- **Bronchiectasis:** Tobramycin, acetylcysteine
- **HIV, pneumocystosis or complications of organ transplants:** Pentamidine
- **Pulmonary hypertension:** Iloprost, treprostinil
- **Thick/tenacious pulmonary secretions:** Acetylcysteine

Medicare covers only FDA-approved formulations of inhalation drugs. Compounded inhalation solutions are not covered.

Medicare also covers DME nebulizers and accessories when they are needed to provide humidification for patients with thick/tenacious secretions who have a diagnosis of cystic fibrosis or bronchiectasis or who have a tracheostomy or tracheobronchial stent.

The local coverage determination (LCD) for nebulizers identifies the usual maximum daily dose of inhalation drugs that that is covered by Medicare. Of particular note is budesonide, which is covered at a maximum dosage of 0.5 mg twice per day or 1.0 mg once per day. Refer to the LCD for information about the maximum covered quantities of other drugs or about the coverage of combinations of drugs in the same therapeutic class.

For most inhalation drugs, Medicare covers administration using standard aerosol pneumatic compressor-type nebulizers. Refer to the LCD for details on the coverage of specific nebulizers.

When you are initially ordering inhalation drugs, nebulizers, and accessories, it is important that you clearly document in your medical records the patient's diagnosis and other clinical information relating to their need for these items. Simply listing that information on the order or on a form provided by the supplier is not sufficient.

On an ongoing basis, when you see your patient for follow-up visits, it is important that you document the continued need for and use of inhalation drugs and nebulizer—just as you document the need for other medications and equipment that they are using.

This article is only intended to be a general summary. It is not intended to take the place of the written law, regulations, and national or local coverage determinations. Coverage, coding and documentation requirements for nebulizers may be found in the [Nebulizers LCD](#) on the Medicare Coverage Database.

Durable Medical Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers are your partners in caring for your patient. They will not receive payment from Medicare for the items that are ordered for your patient if you do not provide information from your medical record when it is requested. Furthermore, if you do not provide this information to the supplier for this audit, your patient may have to pay for the item. Finally, your cooperation is a legal requirement as outlined in the Social Security Act which is the law governing Medicare.

Please do not send medical records that your supplier requests from you directly to the DME MAC, but rather return them to him or her. Also, please remember that you may not charge the supplier or the beneficiary to provide this information. Help your DMEPOS supplier continue to provide the highest quality of service to your patient by promptly providing the information from your medical record that is requested.

Sincerely,

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