



AirMini Fast Facts

This tool is an overview of potential AirMini payment pathways.

AirMini is a small positive airway pressure device with water-less humidification used for treating obstructive sleep apnea. Most payors cover CPAP devices, if the coverage criteria are met and medical necessity is established. While patients may seek health insurance reimbursement for AirMini, payors may or may not cover secondary devices. If the payor determines AirMini is not medically necessary the patient may choose to pay cash. When evaluating potential payment pathways, two key variables may be considered: 1) is the item considered medically necessary—or covered—by the patient’s health insurance and 2) is the HME supplier contracted with the patient’s health insurance. Depending on various complex scenarios and contractual obligations, suppliers may collect payment from patients directly and/or patient’s health insurance company.

This tool is a simplified overview to help HME suppliers navigate payment pathways. The HME is solely responsible for understanding its contractual obligations. The HME should consult with a healthcare attorney for definitive guidance on AirMini payment pathways. Reimbursement and billing decisions are made at the sole discretion of the HME supplier.

	PATIENT’S PAYOR AND HME ARE NOT CONTRACTED	PATIENT’S PAYOR AND HME ARE CONTRACTED
Item is NOT considered medically necessary	Patient cash pay may be an option	Patient cash pay may or may not be an option—consult your payor*
Item is considered medically necessary	Patient cash pay or reimbursed may be available, depending on the situation**	Reimbursed or patient cash pay may be available, depending on the situation***

* While payors typically will not pay for items that are not medically necessary, contractual obligations may require HME suppliers to obtain a denial from the payor and a signature from the patient on a financial liability waiver, or Advanced Beneficiary Notice (ABN), prior to engaging in a patient cash pay transaction.

** While HME suppliers must be contracted with Medicare and have an active Provider Transaction Access Number (PTAN) to bill Medicare, HMEs may be able to bill out of network commercial payor for some plans like PPOs. Federal requirements exist that may require HME suppliers to notify Medicare patients about their contract status and ability to submit claims on the patient’s behalf.

*** Typically, covered items are reimbursed when HME suppliers are contracted with a patient’s payor. However, carve outs, exceptions and HME’s internal policies may impact payment pathways.



CPAP Payment Options:

HME suppliers may be paid by payors and/or patients for AirMini purchases based on their particular contract provisions. Since AirMini is a CPAP device and most payors cover CPAP, patients may seek health insurance to cover AirMini. While HME suppliers may prefer to charge patients cash, their contractual relationship with the patient's payor and the item's medical necessity status may impact payment pathway options.

I. Options for suppliers not contracted with the patient's payor

When HME suppliers are not contracted with a patient's payor, they may have no contractual obligations to the payor. However, they still may be subject to certain Medicare requirements. For example, if the HME supplier is not contracted with Medicare, they may not have a Provider Transaction Access Number (PTAN) or supplier number. However, even suppliers without a PTAN are required to either post a clearly visible public notice at the supplier's place of business that informs patients they are not contracted with Medicare or present ABNs to each Medicare patient before charging cash.

If the supplier is not contracted with a commercial payor, the supplier may or may not choose, at its option, to bill the patient's health insurance. Some commercial payors have out of network benefits for covered items that may help pay a portion of the cost of the device. Each commercial payor is different and policies vary. HMEs need to consult with their relevant commercial payors—and a healthcare attorney—for guidance on how to handle these situations.

II. Options for contracted suppliers

A. If an item is not medically necessary or otherwise not covered, HME suppliers should follow the process outlined in their contracts to engage in a patient cash pay transaction. Scenarios in which an item is considered not medically necessary or not covered may include:

- Patient requests second device for convenience and receives a same or similar item denial
- Equipment is replaced prior to the reasonable useful lifetime
- Coverage criteria is not met and device is considered not medically necessary (e.g., non-compliant usage)

For Medicare, the process includes notifying the patient that Medicare is expected to deny payment for items considered not medically necessary and obtaining a valid signed ABN form² before engaging in a patient cash pay transaction.

For Commercial payors, the process varies. Some payors may require the HME supplier obtain a denial and have the patient sign a waiver of financial liability form, before engaging in a cash pay transaction. HME suppliers should consult with the relevant commercial payors and a healthcare attorney for guidance on how to handle these situations.

B. If an item is medically necessary and covered, contracted suppliers are typically required to bill the patient's health insurance. Assignment of benefits, participation status, contract status, and mandatory claims submission may be some of the reasons HMEs are required to bill the patient's insurance. However, different payor contracts may have carve outs and exceptions. HME suppliers should consult with the relevant payors and a healthcare attorney for guidance on how to handle these situations.

¹ Medicare Claims Processing Manual, Chapter 30 section 50.10 - ABNs for Claims Denied Under §1834(j)(1) of the Act (Supplier Did Not Meet Supplier Number Requirements) (Rev. 2480, Issued: 06-01-12, Effective: 09-04-12, Implementation: 09-04-12)

² Medicare Advance Beneficiary Notices. Medicare Learning Network. ICN 006266. October 2015.



Q & A

Q: What is an ABN or financial waiver form?

If AirMini is not covered by the payor, HME suppliers may request the patient to pay for the device. In these instances, Medicare may require an Advanced Beneficiary Notice of Non-Coverage (ABN form) and commercial payors may require a financial liability waiver.

An ABN is used to inform Medicare patients of their payment obligations. An ABN is written notification informing a Medicare patient that the items or services they are about to receive are likely to be denied by Medicare and the patient is financially responsible. The ABN allows the patient to make an informed decision about whether or not to accept an item that may require out of pocket payments above and beyond the typical coinsurance and deductible. If executed properly, the document transfers financial liability from the supplier to the patient.⁴

A financial waiver form⁵ is used to inform non-Medicare patients that they are responsible for any payments not covered by their health insurance. Providers and facilities utilize these forms to inform the patient about their coverage and transfer the financial liability to the patient.

Q: What is required to properly execute an ABN?

To properly execute an ABN , the supplier must take the following steps: 1) Complete all required blanks within the approved CMS ABN form, 2) Deliver the ABN to the patient, preferably issued in person (the ABN also may be issued via phone, email, mail or fax; phone contact must be immediately followed by either a hand-delivered, mailed, emailed, or faxed ABN), 3) Issue the ABN in advance to allow sufficient time for the patient to consider options, 4) Explain all fields on the ABN to the patient in its entirety, 5) Obtain patient's signature and date of signature after selecting an option in the Options Box (G) and (6) Retain a signed copy and provide a copy to the patient.

Q: Do commercial payors require financial waiver forms, and where can I locate them?

Financial waiver forms or similar notification requirements may vary based on the payor. If the contract does not require a waiver, the patient should be informed that they may be financially responsible. Contact the payor directly for specific guidance and/or work with your healthcare attorney to draft a financial waiver form for your business.

Q: What HCPCS code should be used when submitting reimbursement claims for AirMini?

AirMini has not been assigned a HCPCS code by the Pricing Data Analysis and Coding Medicare Administrative Contractor (PDAC) as of this documents publication date. Thus, you should contact the appropriate payors for coding guidance.

Q: Is a prescription required for AirMini?

Yes, a prescription is required. AirMini has been cleared for use by the Food and Drug Administration as a prescription only device.

³ Fee for Service ABN Forms English and Spanish 2013v508

⁴ Advance Beneficiary Notice of Noncoverage (ABN) Questions and Answers. Noridian. September 2016

⁵ Example of Financial Waiver Form from Magellan Health

⁶ ABN Form Instructions, OMB Approval Number: 0938-0566

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