Dear Physician,

Inhalation drugs are covered by Medicare Part B when the patient has a pulmonary condition that will benefit from the use of inhalation therapy and they are administered using a durable medical equipment (DME) nebulizer. Inhalation drugs administered using metered dose inhalers or similar devices are eligible for coverage by Medicare Part D, not by the Medicare Part B DME benefit. The following information is intended to provide you with summary guidance on Medicare's coverage criteria and documentation requirements for drugs administered using a DME nebulizer.

Coverage Criteria

Inhalation drugs, nebulizers, and related accessories are covered for many respiratory conditions and/or diseases. The following is an example of diagnoses and inhalation drugs indicated for coverage (not all-inclusive):

- **Obstructive pulmonary diseases:** albuterol, arformoterol, formoterol, levalbuterol, metaproterenol, ipratropium, revefenacin, budesonide, 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.

Refer to the Nebulizers Local Coverage Determination (LCD) for details regarding coverage of specific types of nebulizers.

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 Nebulizers LCD identifies the usual maximum daily dose of inhalation drugs covered by Medicare. Refer to the LCD for information about the maximum covered quantities of drugs or about the coverage of combinations of drugs in the same therapeutic class.

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

Medical Necessity Documentation

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 they are using.

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CGS Administrators, LLC is a Medicare Part A, B, Home Health and Hospice, and DME Medicare Administrative Contractor for the Centers for Medicare & Medicaid Services.

This article is intended to be a general summary. It is not intended to take the place of the written law, regulations, national coverage determinations (NCDs), or LCDs. Coverage, coding and documentation requirements may be found in the Nebulizers LCD (33370) (https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?LCDid=33370) and LCD-related Policy Article (A52466) (https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleId=52466), located in the Medicare Coverage Database on the CMS website at https://www.cms.gov/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 to the supplier when it is requested. Furthermore, if you do not provide the requested information to the supplier, 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. Help your DMEPOS supplier provide the highest quality of service to your patient by promptly providing them with the requested information.

Your participation and cooperation with the supplier in this process will allow your patient to receive the most appropriate type of equipment. We appreciate all your efforts in providing quality services to your Medicare patients.

Sincerely,

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