

Oxygen suppliers thriving under Medicare

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U.S. lawmakers say oxygen suppliers are being overpaid under current Medicare policies.

Rather than buying oxygen equipment from pharmacies and other retailers, Medicare rents it for 36 months before patients take ownership, at a cost of as much as \$8,280 per recipient. That is more than double what somebody might spend at a drugstore, The New York Times said Friday.

The newspaper said oxygen equipment costs Medicare over \$1.8 billion last year.

Critics say one problem is that Medicare pays the same amount to provide each patient with oxygen equipment and services, regardless of how often they are used. While some patients require constant monitoring and frequent deliveries, many patients require less care.

"I would guess we're grossly overpaying for about 80 percent of the people who receive these services," said Rep. Pete Stark, D-Calif., who recently pushed to cut Medicare's oxygen spending.

The oxygen industry says the payments they receive are fair because they offer services that keep patients out of hospitals, saving Medicare billions of dollars, the newspaper said.

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