

S.1932

Deficit Reduction Act of 2005 (Engrossed Amendment as Agreed to by Senate)

SEC . 5101 . BENEFICIARY OWNERSHIP OF CERTAIN DURABLE MEDICAL EQUIPMENT (DME).

(a) DME-

(1) *IN GENERAL*- Section 1834(a)(7)(A) of the Social Security Act (42 U.S.C. 1395m(a)(7)(A)) is amended to read as follows:

`(A) *PAYMENT*- In the case of an item of durable medical equipment not described in paragraphs (2) through (6), the following rules shall apply:

`(i) *RENTAL*-

`(I) *IN GENERAL*- Except as provided in clause (iii), payment for the item shall be made on a monthly basis for the rental of the item during the period of medical need (but payments under this clause may not extend over a period of continuous use (as determined by the Secretary) of longer than 36 months).

`(II) *PAYMENT AMOUNT*- Subject to subparagraph (B), the amount recognized for the item, for each of the first 3 months of such period, is 10 percent of the purchase price recognized under paragraph (8) with respect to the item, and, for each of the remaining months of such period, is 7.5 percent of such purchase price.

`(ii) *OWNERSHIP AFTER RENTAL*- On the first day that begins after the 36th continuous month during which payment is made for the rental of an item under clause (i), the supplier of the item shall transfer title to the item to the individual.

`(iii) *PURCHASE AGREEMENT OPTION FOR POWER-DRIVEN WHEELCHAIRS*- In the case of a power-driven wheelchair, at the time the supplier furnishes the item, the supplier shall offer the individual the option to purchase the item, and payment for such item shall be made

on a lump-sum basis if the individual exercises such option.

`(iv) MAINTENANCE AND SERVICING- After the supplier transfers title to the item under clause (ii) or in the case of a power-driven wheelchair for which a purchase agreement has been entered into under clause (iii), maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate for the particular type of durable medical equipment), and such payments shall be in an amount determined to be appropriate by the Secretary.'

(2) Effective date- The amendment made by paragraph (1) shall apply to items furnished for which the first rental month occurs on or after January 1, 2006.

(b) OXYGEN EQUIPMENT-

(1) IN GENERAL- Section 1834(a)(5) of such Act (42 U.S.C. 1395m(a)(5)) is amended--

(A) in subparagraph (A), by striking `and (E)' and inserting `(E), and (F)'; and

(B) by adding at the end the following new subparagraph:

`(F) OWNERSHIP OF EQUIPMENT-

`(i) IN GENERAL- Payment for oxygen equipment (including portable oxygen equipment) under this paragraph may not extend over a period of continuous use (as determined by the Secretary) of longer than 36 months.

`(ii) OWNERSHIP-

`(I) TRANSFER OF TITLE- On the first day that begins after the 36th continuous month during which payment is made for the equipment under this paragraph, the supplier of the equipment shall transfer title to the equipment to the individual.

`(II) PAYMENTS FOR OXYGEN AND MAINTENANCE AND SERVICING- After the supplier transfers title to the equipment under subclause (I)--

`(aa) payments for oxygen shall continue to be made in the amount recognized for oxygen under paragraph (9) for the period of medical need; and

`(bb) maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate for the equipment), and such payments shall be in an amount determined to be appropriate by the Secretary.'

(2) Effective date-

- (A) IN GENERAL- The amendments made by paragraph (1) shall take effect on January 1, 2006.*
- (B) APPLICATION TO CERTAIN INDIVIDUALS- In the case of an individual receiving oxygen equipment on December 31, 2005, for which payment is made under section 1834(a) of the Social Security Act (42 U.S.C. 1395m(a)), the 36-month period described in paragraph (5)(F)(i) of such section, as added by paragraph (1), shall begin on January 1, 2006*