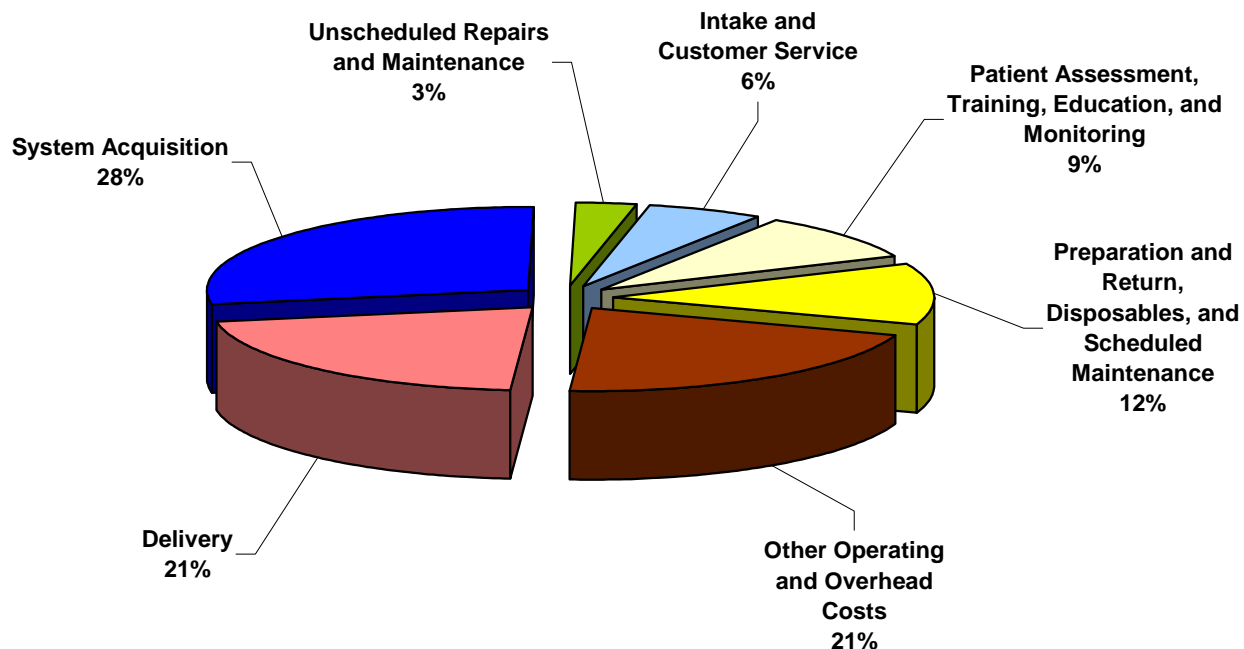


## Service Costs Outweigh Equipment Cost in Home Oxygen Therapy



- **System Acquisition** – includes acquisition costs for stationary, portable and backup units, conserving devices, ancillary equipment and accessories, and oxygen system contents (liquid and gaseous oxygen).
- **Intake and Customer Service** – includes labor associated with patient intake functions, ongoing customer service (patient inquiries, scheduling of deliveries/maintenance/clinical visits, accommodating patient travel plans), and initial and renewal prescription processing.
- **Preparation and Return, Disposables, and Scheduled Maintenance** – includes labor associated with equipment preparation (testing, cleaning, and repair), equipment set-up and maintenance upon return, initial patient instruction, cost of disposable and maintenance supplies, and labor costs associated with scheduled preventive equipment maintenance.
- **Unscheduled Repairs and Maintenance** – includes labor and vehicle costs associated with unscheduled equipment repair and maintenance.
- **Patient Assessment, Training, Education, and Monitoring** – includes labor and travel costs associated with clinical visits by respiratory care practitioner, in-home patient assessments (including home environment safety assessment and oxygen therapy plan of care), training, education and compliance monitoring.
- **Delivery** – includes delivery costs associated with oxygen fills (liquid and gaseous oxygen), preparation, return, disposables and scheduled maintenance.
- **Other Monthly Operating and Overhead** – includes rent and other facility costs, administration, insurance, legal, regulatory compliance, MIS systems/controls, communications systems, employee training, accreditation, supplies, billing and compliance functions.

Source: “A Comprehensive Cost Analysis of Medicare Home Oxygen Therapy,” a study for the American Association for Homecare, June 2006, by Morrison Informatics, Inc., 1150 Lancaster Blvd., Suite 101, Mechanicsburg, PA 17055. (717) 795-8410