



Reimbursement fast facts: Home sleep apnea testing

This guide provides educational information on Medicare coverage requirements for home sleep apnea test (HSAT) devices. HSAT is covered only for diagnosing obstructive sleep apnea (OSA) and no other conditions (verification is the billing provider's responsibility). The term "HSAT" refers to sleep monitoring devices, such as those made by ResMed, which are designed to help diagnose sleep-disordered breathing in adults. Always consult private payer policies, which may differ from Medicare.

Device	Code	Code Description	Medicare Reimbursement
ApneaLink Air™	95801	Sleep study, unattended, simultaneous recording; minimum of heart rate, oxygen saturation, and respiratory analysis (e.g. by airflow or peripheral arterial tone*)	Physician Fee Schedule look-up tool
	95806	Sleep study, unattended, simultaneous recording of, heart rate, oxygen saturation, respiratory airflow, and respiratory effort (e.g. thoracoabdominal movement)	
	G0399	Home sleep test (HST) with type III portable monitor, unattended; minimum of 4 channels: 2 respiratory movement/airflow, 1 ECG/heart rate and 1 oxygen saturation	Contact payer
NightOwl™	95801	Sleep study, unattended, simultaneous recording; minimum of heart rate, oxygen saturation, and respiratory analysis (e.g. by airflow or peripheral arterial tone*)	Physician Fee Schedule look-up tool
	95800	Sleep study, unattended, simultaneous recording; heart rate, oxygen saturation, respiratory analysis (e.g. by airflow or peripheral arterial tone*), and sleep time	
	G0400	Home sleep test (HST) with type IV portable monitor, unattended; minimum of 3 channels	Contact payer

*Peripheral arterial tone measurement is based on processing of photoplethysmography (PPG) without application of a uniform pressure field fully enveloping the finger

Coverage

HSAT devices are covered when used to aid the diagnosis of OSA in patients who have clinical signs and symptoms indicative of OSA if performed unattended in or out of a sleep lab facility or attended in a sleep lab facility.¹

- Diagnostic testing performed in an Independent Diagnostic Testing Facility (IDTF) must follow the supervision and credentialing guidelines set forth by CMS and/or the applicable Medicare Administrative Contractor.

For coverage of a positive airway pressure (PAP) HCPCS code E0601 or E0470 device for the treatment of OSA, a sleep test must:

1. Meet the Medicare requirements for a valid sleep test as outlined in NCD 240.4.1 and the applicable A/B MAC LCD and Billing and Coding article; and,
2. be approved by the Food and Drug Administration (FDA) as a diagnostic device; and,
3. meet the coverage criteria in effect for the date of service of the claim for the PAP device; and,
4. be ordered by the patient's treating practitioner; and,
5. be conducted by an entity that qualifies as a Medicare provider of sleep tests and is in compliance with all applicable state regulatory requirements.²

General Information

- An HSAT is covered only when it is performed in conjunction with a comprehensive sleep evaluation and in patients with a high pretest probability of moderate to severe OSA.
- HSAT is not covered for persons with comorbidities (moderate to severe pulmonary disease, neuromuscular disease or congestive heart failure).
- HSAT is only covered for the diagnosis of OSA. It is not covered for any other sleep disorders (central sleep apnea, periodic limb movement disorder, insomnia, parasomnias, circadian rhythm disorders or narcolepsy) or for screening asymptomatic persons.²
- The patient who undergoes an HSAT must receive, prior to the test, adequate instruction on how to properly apply a portable sleep monitoring device. This instruction must be provided by the provider conducting the HSAT.
- Documentation must show that the HSAT was accomplished with a Medicare-approved device (e.g. description of channels monitored or clear indications of same included in the test report) and was performed by a physician meeting appropriate professional credentials.
- Multiple HSATs per year are not expected. If more than one HSAT is done for suspected OSA, medical evidence supporting the need for additional tests is required. If more than two nights of testing occur, documentation justifying the need for the extra tests must be in the patient's medical record.



Coding

There are a variety of ways HSAT devices may be reported. Some payers may require reporting of the G codes (G0399, G0400), while others may require reporting of the CPT® codes (95800, 95801 or 95806). HSAT providers should check with the payer to identify which code to report.

Q & A

Q: What restrictions should physicians be aware of?

Medicare and some commercial payers require that HSATs be interpreted by physicians who are board certified in sleep and/or members of a credentialed sleep center or lab that have active physician staff members meeting sleep certification and are licensed in the state where the test was administered. Check payer policies for applicable details.

Q: Can a patient be sent to a lab for titration following an HSAT?

Yes. Medicare does not have specific restrictions preventing physicians from referring patients for titration in a facility-based setting following an HSAT, provided the referral is based on medical necessity. Consult payer guidelines, as policies may differ.

Q: Can a DME supplier perform the HSAT?

Medicare rules state that “No aspect of a home sleep test, including but not limited to delivery and/or pickup of the device, may be performed by a DME supplier. This prohibition does not extend to the results of studies conducted by hospitals certified to do such tests or to tests conducted in facility-based sleep laboratories.”³

Q: What are the requirements for physicians interpreting HSAT in a different state than the state where the test was administered?

State licensure requirements may require a physician interpreting an HSAT to hold a license in the state where the test was administered. Check with the relevant state licensing authority and/or payer for specific guidance.

Q: Is respiratory events index (REI) accepted as a measurement on a positive airway pressure (PAP) sleep study?

Medicare Durable Medical Equipment Administrative Contractors (DME MACs) accept REI as a valid measurement on a PAP sleep study for purposes of PAP coverage. This does require that respiratory events related arousals (RERA) not be included in the calculation as Medicare does not recognize RERA.⁴ ResMed's ApneaLink Air and NightOwl do not include RERA. Private payer coverage may vary. It is the billing provider's sole responsibility to verify coverage requirements

Screening

An HSAT may be used to assess patients for OSA and guide decisions about treatment or referral for further diagnostic testing, including in-lab studies. However, its use as a screening tool may be subject to payer-specific guidelines. There is no distinct billing code for screening; rather, physicians can use Evaluation and Management (E/M) codes (CPT codes 99202-99205 for new patients and 99211-99215 for established patients) for office visits, including telehealth consultations. If additional time is spent reviewing screening options or results, physicians may exercise discretion in selecting an appropriate E/M code, based on the complexity of the consultation and the time involved. Proper documentation is essential to support the level of service billed.

with the applicable payer.

Q: What is Medicare's guidance regarding HSATs that score hypopneas using 3% oxygen desaturation criterion?

Medicare defines hypopnea as an abnormal respiratory event lasting at least 10 seconds with at least a 30% reduction in thoracoabdominal movement or airflow as compared to baseline, and with at least a 4% oxygen desaturation. Medicare claims for PAP devices and related accessories based on 3% oxygen desaturation are not covered. For patients who may currently be under commercial or non-Medicare insurance coverage, consider scoring patients using both the 3% and 4% oxygen desaturation metric and provide a separately scored AHI/RDI based on each metric in the interpretation report. By providing an AHI/RDI scored with both hypopnea definitions, this will allow the patient to use the HSAT once they are Medicare eligible.⁵

Q: What modifier may be used to bill for an incomplete HSAT (e.g. patient discontinues, minimum recording time not met, etc.)?

Modifier 52 states that “Partially reduced or eliminated services...” may be used to bill for incomplete HSATs. Include the statement, “reduced services” in Item 19 in the CMS-1500 claim form (or electronic equivalent) along with a brief reason to explain why the test was incomplete. The provider should maintain this documentation in the patient's medical record. For more information, [click here](#).

Q: Is telehealth an acceptable method for evaluating whether an HSAT is clinically appropriate?

Yes, provided it complies with applicable regulations, clinical guidelines, and payer policies.



Appendix

Definitions

Type III sleep testing device. Has a minimum of four monitored channels including ventilation or airflow (at least two channels of respiratory movement or respiratory movement and airflow), heart rate or ECG, and oxygen saturation.

Type IV sleep testing device. May measure one, two, three or more parameters but do not meet all the criteria of a higher category device.

Other sleep testing device. Measures three or more channels that include actigraphy, oximetry, and peripheral arterial tone and used to aid in the diagnosis of OSA in beneficiaries who have signs and symptoms indicative of OSA.

Modifiers

HSAT professional and technical services are often reported separately depending on the service rendered by the provider. When both professional and technical services are rendered by the same provider, modifiers 26 and TC are not generally reported, and the global service (code without modifier) is reported instead.

Modifier	Description
26	Professional component. The professional component represents physician's interpretation or professional component reported for diagnostic, procedures and services (e.g. physician work, practice expense). It is reported by appending modifier 26 to the procedure code.
TC	Technical component. The technical component represents the costs of the equipment, personnel and supplies to perform the procedure. It is reported by appending modifier TC to the procedure code.

Place of Service (POS) codes

The Medicare program uses a two-digit numeric POS coding structure. The POS identifies the location where the item was used or the service was performed. A POS is required for all services and must be reported when submitting claims.

Below are commonly used POS codes for HSAT services. Additional POS codes may apply in certain circumstances. Check with individual payers for reimbursement policies and requirements regarding these codes.

POS Code	Place of Service
11	Physician office
12	Home
22	Outpatient hospital

Diagnosis Codes

The following international classification of disease (ICD-10) codes are commonly[‡] used for HSAT services:

ICD-10	Description
G47.30	Sleep apnea, unspecified
G47.33	Obstructive sleep apnea (adult) (pediatric)

[‡] This is not a comprehensive list. Providers should verify covered diagnosis codes with the payer prior to billing.

¹ CMS IOM Publication 100-03, Medicare National Coverage Determinations (NCD) Manual, Chapter 1, Part 4, Section 240.4.1 Sleep Testing for Obstructive Sleep Apnea (OSA). Accessed December 24, 2024 from https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/ncd103c1_part4.pdf ² U.S. Centers for Medicare & Medicaid Services. Polysomnography and Sleep Studies – Medical Policy Article (rev. 2019, October 31). Retrieved December 24, 2024, from <https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=53019&ver=11&bc=0> ³ U.S. Centers for Medicare & Medicaid Services. Positive Airway Pressure (PAP) Devices for the Treatment of Obstructive Sleep Apnea - Policy Article (rev. 2021, August 08). Retrieved December 24, 2024, from <https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=52467&ver=54&bc=0> ⁴ Noridian Healthcare Solutions, LLC. ACT Questions and Answers - August 30, 2022. Accessed December 24, 2024 from <https://med.noridianmedicare.com/web/jddme/education/act/act-qa-080922> ⁵ CGS Administrators, LLC. Sleep Test Scoring and Medicare. Accessed December 24, 2024 from https://cgsmedicare.com/jc/dpl/dpl_sleep_test_scoring.pdf

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