

Bulletin Number: MSA 18-46

Distribution: Practitioners, Hospitals, Federally Qualified Health Centers, Local Health Departments, Rural Health Clinics, Tribal Health Centers, Hearing Aid Dealers, Medicaid Health Plans, Hearing and Speech Centers

Issued: November 30, 2018

Subject: Updates to Audiology Supply and Device Reimbursement Rates and Bone-Anchored Hearing Device (BAHD) Coverage

Effective: January 1, 2019

Programs Affected: Medicaid, Healthy Michigan Plan, MICHild, Children's Special Health Care Services

This policy applies to Medicaid Fee-for-Service (FFS). Medicaid Health Plans (MHP) must provide the full range of covered services described in this policy at a minimum and may choose to provide services over and above those specified. For beneficiaries enrolled in a MHP, the provider must check with the beneficiary's health plan for coverage and prior authorization requirements.

This policy establishes a reimbursement methodology for replacement cochlear implants, BAHD devices, and implant/device related supplies. In addition, the policy creates a Medicaid fee for non-implantable BAHDs and revises the BAHD standards of coverage. Where applicable, MDHHS will use a reimbursement methodology for cochlear implant and BAHD supplies and replacement devices based on a percentage of Medicare reimbursement rates. MDHHS is also updating the current BAHD standards of coverage to include bilateral BAHD device coverage.

I. Cochlear Implants, BAHD Devices, and Implant/Device Supplies Reimbursement Rates

MDHHS will update reimbursement rates for Medicaid-covered replacement cochlear implants, BAHD devices, and implant/device related supplies. For dates of service on and after January 1, 2019, MDHHS will use a rate methodology of 80% of the January 2019 Medicare Durable Medical Equipment, Prosthetics, Orthotics & Supplies fee schedule rate minus any reductions required by law. Cochlear implant and BAHD supply and device rates will be reviewed at least annually. Rate adjustments made in 2009 pursuant to Executive Order 2009-22 and Public Act 131 of 2009 remain in effect as outlined in MSA 09-62. Bulletin MSA 09-62 can be accessed on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms >> 2009 (under Michigan Medicaid Approved Policy Bulletins).

For items without an established Medicaid fee screen or for custom-fabricated devices, the reimbursement rate will be the acquisition cost plus 17%.

Hearing aid devices and related supplies will continue to be reimbursed at applicable Medicaid fee screens established through the Minnesota Volume Hearing Aid Purchase Agreement or by another mechanism (e.g., Medicare Resource Based Relative Value Scale [RBRVS]) and are not subject to the reimbursement methodology described in this policy.

Providers should refer to the Medicaid fee schedule at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Hearing Services/Hearing Aid Dealers >> Hearing Services for a list of the affected procedure codes.

II. Rate Establishment for Procedure Code L8692 (Non-implantable BAHD)

For dates of service on and after January 1, 2019, MDHHS will establish a Medicaid fee screen for Current Procedural Terminology (CPT) code L8692, auditory osseointegrated device, external sound processor, used without osseointegration, body worn. Non-implantable BAHDs will no longer be manually priced. MDHHS may utilize the RBRVS, commercial payer rates, other state Medicaid fee screens, current Medicaid fees for similar services, and providers' charges as guidelines or references in determining the maximum fee screens for the non-implantable BAHD. Providers should refer to the Medicaid fee schedule at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Hearing Services/Hearing Aid Dealers >> Hearing Services for current BAHD rates.

III. Bone-Anchored Hearing Devices

Some beneficiaries may have physical or medical conditions that prevent them from wearing traditional hearing aids. Medicaid covers implantable and non-implantable BAHDs or aids as an alternative hearing instrument for those who can benefit when there is no other suitable aid. An implantable BAHD is a bone-conduction hearing device that allows sound through a sound processor that is connected to an implanted component.

The sound processor can also be used without surgery when it is attached to the head by a headband device or adhesive adapter placed behind the ear. This non-implantable option is for beneficiaries who meet the BAHD audiological criteria but are not appropriate surgical candidates.

For dates of service on and after January 1, 2019, Medicaid has updated the BAHD policy as follows:

A. Standards of Coverage

Medicaid covers medically necessary unilateral or bilateral implantable and non-implantable BAHDs. Beneficiaries must have a unilateral or bilateral conductive or mixed conductive hearing loss, or a unilateral profound sensorineural hearing loss. An air-conduction hearing aid must be contraindicated, failed, or not appropriate for the beneficiary's medical condition and all the following criteria must be met:

- Use of a Food and Drug Administration (FDA)-approved device in accordance with its recommended use.
- The beneficiary must be five years of age or older to qualify for surgically-implanted components.
- The beneficiary must have at least one of the following conditions:
 - Congenital malformation(s) of the middle/external ear or microtia;
 - Severe chronic otitis externa and/or chronic suppurative otitis media with chronic drainage preventing use of conventional air-conduction hearing aids;
 - Conductive hearing loss due to ossicular disease and is not appropriate for surgical correction;
 - Tumors of the external ear canal and/or tympanic cavity;
 - Unilateral sensorineural hearing loss (single-sided deafness); or
 - Condition that contraindicates an air-conduction hearing aid.

B. Audiological Criteria

1. Unilateral Implantation and Devices

- Unilateral or bilateral conductive or mixed hearing loss with a pure-tone average bone conduction threshold greater than or equal to 65 dB HL in the implanted ear with a speech recognition score of greater than or equal to 60 percent using appropriate speech recognition testing.
- Unilateral confirmed profound sensorineural hearing loss (greater than or equal to 90 dB HL) in one ear with a confirmed bone conduction threshold of greater than or equal to 40 dB HL in the opposite ear.

2. Bilateral Implantation and Devices

- Bilateral symmetrical conductive or mixed hearing loss with a pure-tone average bone conduction threshold of greater than or equal to 65 dB HL in both ears and an average difference of less than 15 dB HL between ears.

C. Prior Authorization

Surgical implantation of a unilateral BAHD is covered without prior authorization (PA) when the standards of coverage and audiological criteria are met. PA is required for bilateral implantation and all non-surgical BAHDs.

When PA is needed, the following documentation dated within six months prior to the surgical implantation or dispensing of the non-surgical aid must be submitted with the Special Services Prior Approval-Request/Authorization form (MSA-1653-B):

- Complete audiology report (i.e., pure-tone audiogram) that defines the type and degree of hearing loss in each ear;
- History of hearing aid use or documentation supporting the inability to use an air-conduction hearing aid;
- Letter from the beneficiary's treating otolaryngologist stating medical need.

D. Replacement and Repair of Bone Anchored Hearing Devices

Replacement of BAHD external processors requires PA and is not covered more frequently than once every four years. Replacements are not covered during the warranty period.

Medicaid covers BAHD repairs when the device is out of warranty. Processor repairs exceeding \$200 per date of service or \$400 for the past 365 days or exceeding the maximums indicated on the Cochlear Implant and Auditory Osseointegrated Implant Replacement Parts and Accessories list require prior authorization. The list is located on the MDHHS website at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Hearing Services/Hearing Aid Dealers.

When PA is needed, the following documentation dated within six months prior to the dispensing of the part or repair must be submitted with the MSA-1653-B:

- Documentation from the licensed audiologist and/or other authorized medical professional to substantiate the need for the part(s) and/or repair.
- Itemization of materials used to repair the device and the rationale for any related labor costs.

Manual Maintenance

Retain this bulletin until the information is incorporated into the Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Kathy Stiffler". The signature is written in a cursive, flowing style.

Kathy Stiffler, Acting Director
Medical Services Administration