


STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
Med-QUEST Division  
Medical Standards Branch  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

January 26, 2005

MEMORANDUM

ACS M05-03

TO: Audiologists

FROM: Steven S. Kawada, Med-QUEST Division Assistant Administrator 

SUBJECT: HEARING AIDS FOR MEDICAID ELIGIBLE INDIVIDUALS LESS THAN TWENTY ONE (21) YEARS OF AGE

Effective January 3, 2005, Phonak Hearing Systems will extend its lowest charge to Hawaii audiologists who supply Phonak hearing aids and Phonak hearing aid related items to Medicaid eligible children ages 0 to 21. The items that Phonak has agreed to provide are listed below:

1. Analog and digital hearing aids including a one year manufacturer warranty for lost/damage per aid;
2. One year hearing aid lost/damage extended warranty (hearing aid insurance) from Phonak after the manufacturer's warranty has expired. The lost/damage should be requested at time of hearing aid purchase (V5299 U1 or U2) and annually as needed; and
3. One hearing aid accessories kit, to include: A battery tester, Dri-Aid, and a stethoscope will be provided by Phonak without charge (Oliver Kit) with the initial purchase of hearing aids. Also, Phonak has waived its shipping and handling fees when associated with the purchase of new aids and for repairs when covered under manufacturer warranty or hearing aid insurance from Phonak.

***The spreadsheet attached identifies the hearing aid items covered by Medicaid (including Phonak items), Medicaid coding requirements, and the rates that Medicaid will pay to hearing aid suppliers.***

**Hearing aid selection:**

Audiologists must refer to the attached list of hearing aids before requesting hearing aids for children. If an audiologist seeks approval for hearing aids from a different manufacturer, Medicaid will cover the comparable model at the same reimbursement level as the Phonak model. If there is no comparable model, the audiologist must submit medical justification for the medical necessity of the model requested.

A. For hearing aid purchases from the attached list, the following must be submitted (special consideration need not be included):

1. A fully completed Form 1144;
2. Otolaryngologist evaluation; and
3. Audiological and other pertinent reports.

B. For hearing aid purchases of models or manufacturers not from the attached list, the following must be submitted:

1. A fully completed Form 1144;
2. Otolaryngologist evaluation, audiological and other pertinent reports;
3. Medical justification for a model other than Phonak and if applicable, special supplies and accessories related to the model requested. Included in the justification must be the results of a trial with a Phonak; and
4. Justification for Medicaid payment at a rate higher than the rates on the spreadsheet, including the MSRP of the requested hearing aid and any additional supplies and accessories.

**Hearing Aid Insurance**

Medicaid will pay for hearing aid insurance when approved on the 1144 form. Hearing aid insurance must be comprehensive and provide at least one new hearing aid for all losses and cover the labor and material costs for all damages. Medicaid currently extends coverage of hearing aid insurance to children under 12 years of age. However, on a case by case basis, Medicaid reserves the right to require that audiologists obtain comprehensive loss and damage insurance beyond the expiration date of the manufacturer warranty for Medicaid recipients under 21 years of age.

Under its manufacturer warranty and hearing aid insurance, Phonak will cover the replacement of ONE (1) hearing aid if the hearing aid is lost, stolen, or unrepairable. Phonak requires that its form to report the lost/theft/damage be completed and that the parent/guardian's notarized signature be provided on the form. Phonak has waived its processing fee for the replacement hearing aid.

**Hearing Aid Evaluations:**

The following table summarizes limits and prior authorization requirements for professional services related to the provision of hearing aids:

<b>Code</b>	<b>Description</b>	<b>Limits</b>	<b>PA required?</b>
92590	Hearing aid examination and selection; monaural	1 per 2 years	Yes
92591	Hearing aid examination and selection; binaural	1 per 2 years; age less than 21	Yes
92592	Hearing aid check; monaural	2 per 12 months	No
92593	Hearing aid check; binaural	4 per 12 months for ages 3 or under; 2 per 12 months for ages 4 to 21	No
92594	Electroacoustic evaluation for hearing aid; monaural	1 per year	No
92595	Electroacoustic evaluation for hearing aid; binaural	4 per 12 months for ages 3 or under, 2 per 12 months for ages 4 to 21	No

**Submission of 1144 Prior Authorization Forms**

Please follow the general guidelines below when submitting requests for prior authorization of hearing aids.

Fill in the 1144 completely, verify that the requesting otolarngyologist has signed the form. Submit all of the following:

- A code (92590 or 92591) for the hearing aid examination and selection;
- A code for the hearing aid being requested and applicable modifier (if binaural aids are being requested, please enter 2 in the units column) as a rental/trial --RR modifier;
- A code for the hearing aid being requested and applicable modifier (if binaural aids are being requested, please enter 2 in the units column) as a purchase --NU modifier; and
- A code for hearing aid insurance for one year past the expiration of the manufacturer warranty (if binaural aids are being requested, please enter 2 in the units column).

In addition, please attach the following:

- Otolaryngologist evaluation; and
- Audiological and other pertinent reports.

### **Procedures Used by the MQD for the Purchase and Rental of Hearing Aids**

If the hearing aid(s) are determined to be medically necessary, an approval will be given for the rental. The hearing aid purchase and hearing aid insurance will be given conditional approvals. If, after the rental/trial, the audiologist and recipient are satisfied that the hearing aid(s) are appropriate and will be kept by the Medicaid recipient, the serial number(s) must be submitted to the Med-QUEST Division (Medical Standards Branch). The rental/trial code will be revoked and an approval code will be given for the hearing aid purchase and hearing aid insurance.

If the hearing aid(s) will not be purchased, the rental code should be billed.

Under no circumstances should Hawaii Medicaid be billed for both the rental and the purchase of the same hearing aid(s) for persons receiving Phonak aids at the price extended by Phonak for Hawaii Medicaid recipients.

### **Trial with Phonak**

The Children with Special Health Care Needs Branch of the Department of Health will make available Phonak hearing aids for "trials." If the audiologist believes that a trial is needed in order to provide the child with the best aid(s) for his/her hearing problem, he/she should contact Ms. Dale Matsumoto at 733-9067 to arrange for obtaining loaner hearing aid(s) for Medicaid eligible children.

### **Process for obtaining the Phonak Hearing Aids at Medicaid rates for Hawaii Medicaid recipients**

After obtaining authorization for the hearing aid(s) from Medicaid, the audiologist must contact Phonak and state that he/she is ordering hearing aids for a Medicaid recipient and verify that the Phonak's charge to the audiologist is at the Hawaii Medicaid rates. The audiologist must give the following information when ordering from Phonak:

- Name and Medicaid Identification number of the recipient; and
- Authorization Number (PA number on the approval letter).

**Hearing Aid Accessories:**

To expedite claims processing of items associated with hearing aids, please make sure that you use the code V5267 with the specific modifier assigned to the hearing aid related items that do not have an assigned HCPCS code. If a hearing aid item that you provide is not listed, please submit an 1144 form for the item with the code V5299. Please identify the item by name and state its use.

**Quantity Limits**

The following limits apply to hearing aid accessories. Prior authorization is required if these limits are exceeded:

Ear impressions

Maximum of 4 per hearing aid per year for recipients aged 0 to 3 years of age.

Maximum of 1 per hearing aid per year thereafter.

Ear molds

Maximum of 2 per hearing aid per year for recipients aged 0 to 3.

Maximum of 1 per hearing aid per year for recipients over age 3.

Battery tester, SuperDriAid, Listening stethoscope, falange for stethoscope,

Maximum of 1 of each of the above per recipient per year.

Super Seals

Maximum of 1 box of 12 per year.

Super Seal Tool

Maximum of 1 per life of the hearing aid(s).

**Submittal of Claims to Medicaid**

To expedite claims processing, the following instructions should be followed:

- The audiologist must bill Medicaid with the hearing aid codes and modifiers approved on the letter of approval.

- For binaural hearing aids, audiologists must submit units =2 in form locator block (FL) 24 G on the CMS/HCFA 1500 form. Modifiers such LT (left), RT (right), and 50 (bilateral) should NOT be used.
- Claims submitted for hearing aid accessories coding with V5267 not requiring prior authorization must be submitted with the modifier assigned by the Med-QUEST Division. It is recommended that a description of the code be entered in FL 24 D to the right of modifier. Example: " V5267 U1 retubing."

For questions or clarification pertaining to the memorandum, please contact Lynette Honbo, M.D. at 692-8106.

Attachment

CODE	Modifier	Description	Model	Cost to Medicaid Providers	Medicaid Payment	PA
V5140	U1	Binaural, BTE, per aid	Classica	220	264	Y
	U2		Super Front	253	303.6	Y
	U3		PicoForte3	240	288	Y
V5261	U1	Hearing aid, digital, binaural, BTE (unless otherwise specified these are omnio directional), per aid	MAXX 211 BTE (directional/omnidirectional)	259	310.8	Y
	U2		MAXX 211 BTE	240	288	Y
	U3		MAXX 311 BTE	259	310.8	Y
	U4		PowerMAXX	387	425.7	Y
V5260		Hearing aid digital binaural, ITC,	Amio 22 ITE	308	338.8	Y
V5299		Hearing service, miscellaneous				0.1
	U1		Analog insurance, per aid, per year	49.95	54.945	Y
	U2		Digital insurance, per aid, per year	99.95	109.945	Y
	U3		Analog repairs per aid, not covered by warranty or insurance	rate determined on a case by case basis	rate determined on a case by case basis	Y
	U4		Digital repairs per aid, not covered by warranty or insurance	rate determined on a case by case basis	rate determined on a case by case basis	Y
V5264		Ear mold/insert, not disposable, any type			\$30.00 each	N

V5275	Ear impression, each				20 N	
V5266	Hearing aid batteries (each)				1.25 N	
V5267	Hearing supplies/accessories					
U1	Retubing				12 N	
U2	Earmold grinding				4.48 N	
U3	Ear hook				8 N	
	Postage and Handling for repairs under warrantee by manufacturer other than Phonak					
U4	Battery tester				10 N	
U5	DriAid (dessicant)				8 N	
U6	SuperDriAid				5 N	
U7	Super Seals per box of 12				10.3 N	
U8	Super Seal tool				14 N	
U9	Listening stethoscope				8.85 N	
UA	flange				8 N	
UB					N	
	<u>Phonak will waive Shipping and Handling Charges for NEW purchases and REPAIRS covered by warranty or insurance</u>					
	<u>Phonak will waive charges for OLIVER (initial hearing aid care kit --includes DriAid, stethoscope, battery tester, retainer clip)</u>					