

TO: Hearing Aid Providers

SUBJECT: Policy, Billing Changes and Revised HCPCS codes

EFFECTIVE: Immediately

This Newsletter is to update hearing aid providers on the changes which the New Jersey Medicaid Program has made to help streamline the billing process for the submission of claims for hearing aid services as well as eliminating the need for prior authorization.

These changes were implemented on November 29, 1991 when Unisys became the new Fiscal Agent and were explained at training sessions provided by Unisys and Medicaid. This Newsletter is to provide information for those hearing aid providers who were unable to attend the training sessions, and to review the major changes for those providers who did attend the Fall sessions. It is expected that the revised Hearing Aid Services Manual will be published within the next few months. This information will be part of that Manual. A list of the revised HCPCS (HCFA Common Procedure Coding System) procedure codes is also included to facilitate billing. A summary of the changes and more detailed information follow.

Summary of Changes:

- * Prior Authorization is eliminated. Instead, detailed hearing aid candidacy criteria have been added, and the conditions under which an aid may be replaced have been specified.
(See I. and II. below)
- * In nursing facilities, the resident's attending physician is allowed to provide the necessary medical examination in lieu of an otologist. A pre-payment review by Medicaid District Office Staff is required after a hearing aid is dispensed to a Medicaid recipient in a nursing facility. (See III. below)
- * Hearing aid providers are required to make documentation available to Medicaid staff during

post-payment audits. Providers who repeatedly overbill or fail to follow hearing aid candidacy criteria or program regulations may be required to have all of their claims prior authorized. (See IV. below)

- * Billing now requires that invoices or price lists be attached to claims. However, Form FD-244 (Follow-up to Hearing Aid Examination) no longer needs to be sent with the claim when billing. (See V. and VI. below)
- * Hearing aid providers may no longer dispense reconditioned hearing aids.
- * Form FD-245 (Notice of Requirement for Hearing Aid Follow-up Visit) is eliminated.

I. Hearing Aid Candidacy Criteria

The hearing aid dispenser shall not fit a Medicaid recipient unless the recipient falls into one of the following groups:

1. Adults who have:
 - i. 45dB or worse hearing loss at 2000 Hz in the better ear; or
 - ii. 40dB or worse average hearing loss at 500, 1000, 2000 and 3000 Hz in the better ear; or
 - iii. Asymmetrical hearing loss in which there is:

Either 40dB or worse hearing loss at 2000 Hz in the better ear, or a 35dB or worse average hearing loss at 500, 1000, 2000 and 3000 Hz in the better ear; and
60dB or worse average hearing loss at 500, 1000, 2000 and 3000 Hz in the poorer ear.
2. Adults who are attending school and children who have:
 - i. 35dB or worse hearing loss at 2000 Hz in the ear to be aided; or
 - ii. 30dB or worse average hearing loss at 500, 1000, 2000 and 3000 Hz in the ear to be aided.

3. Binaural hearing aid candidates and candidates with unilateral hearing loss who desire an aid for the poor ear must be either children, or adults who are attending school or working and who meet the hearing aid candidacy criteria in category 2 above.
4. CROS/BICROS hearing aid candidates must either be a child over the age of 12 who is experiencing academic difficulty, or an adult in school or working. CROS/BICROS candidates must have one ear that is too poor to be aided.

II. Hearing Aid Replacements

A hearing aid may be replaced only under the following conditions:

1. The original aid to be replaced was lost or stolen, is malfunctioning or broken, or hearing has changed to such an extent that the aid no longer accommodates the hearing loss.
 - i. If malfunctioning or broken, the aid may be replaced only if the repair cost to Medicaid would be more than 50% of the replacement cost to Medicaid.
 - ii. If the original aid to be replaced was lost or stolen or is broken, there must be reasonable expectation that a replacement aid is not likely to be lost, stolen or broken.
2. The hearing aid dispenser must document in the recipient's record the reason(s) for needing a replacement aid.
3. The audiologic candidacy criteria and all required procedures for obtaining a hearing aid must be followed.
4. The hearing aid dispenser must make available to the Division, or its representative, copies of all required documentation, when requested for post-payment review.

III. Dispensing of a Hearing Aid to a Medicaid Recipient in a Nursing Facility

Pre-payment review by Medicaid District Office staff is required after a hearing aid is dispensed to a Medicaid recipient in a nursing facility.

1. After fitting an aid to a Medicaid recipient in a nursing facility, the dispenser must submit to the Medicaid District Office the following forms:
 - i. Nursing Facility Hearing Aid Screening (Form FD-257), fully completed.
 - ii. Audiologic and Hearing Aid Examinations (Form FD-36), fully completed.

- iii. Follow-up to Hearing Aid Examination (Form FD-244), completed through Item 11.
2. Follow-up will be performed by Medicaid staff, who will sign the Follow-up to Hearing Aid Examination (Form FD-244), indicate on the form whether the aid is approved for purchase, and return the form to the dispenser.
3. If the hearing aid is denied, a notification letter will be sent to the provider and recipient.

In lieu of an otologic report, the resident's attending physician may sign the bottom of the Nursing Facility Hearing Aid Screening (Form FD-257), indicating that the recipient has been given the appropriate examination and is medically cleared for a hearing aid.

IV. Provider's (Dispenser's) Responsibilities

The dispenser shall maintain copies of all records for a period of at least five years, including, but not limited to, the following:

1. Otologic reports
2. FD-36, FD-244, FD-257, and 1500 N.J.Claim Forms
3. Documentation to support the need for replacement aids
4. Repair invoices

The dispenser shall submit copies of all relevant papers to Medicaid when requested during post-payment audits.

The dispenser is responsible for assuring that the hearing aid candidacy criteria were met and that all required procedures were followed.

1. Medicaid may recapture payments from the dispenser if the recipient did not meet the hearing aid candidacy criteria, if documentation does not justify dispensing an aid, or if all required procedures were not followed.
2. Dispensers who repeatedly overbill or fail to follow Program regulations may be required to have all of their claims prior authorized.

V. Billing Changes

1. Attach copies of manufacturer's wholesale single unit price lists to claims when billing for hearing aids. Attach copies of invoices or price lists, as appropriate, to claims when billing for earmolds, batteries, repairs and replacement items, such as cords, garment bags, receivers and headbands.
2. Form FD-244 (Follow-up to Hearing Aid Examination) should be retained on file. It should not be attached to the claim form when billing.
3. An ICD-9-CM diagnosis code must be included on the 1500 N.J.Claim Form, Item 24E, when billing; for example, 389.0 - Conductive Hearing Loss, 389.1 - Sensorineural Hearing Loss or 389.2 - Mixed Hearing Loss.

VI. HCPCS Codes

1. Attached is the revised Subchapter 2.2 (HCPCS) codes. This replaces the present Subchapter 4.2 in the Hearing Aid Services Manual. These HCPCS Codes replace the existing codes and must be used for filing a claim.
2. "B.R." (By Report) is listed instead of a dollar amount in some cases. It means that additional information must be included with the claim form (e.g. invoice or manufacturer's price list where appropriate, or detailed description of service for minor in-office procedures).

If there are any questions concerning this Newsletter, please contact the Office of the Medical Director at (609) 588-2724.

10:64-2.2 HCPCS PROCEDURE CODE NUMBERS FOR HEARING AID SERVICES AND MAXIMUM FEE SCHEDULE

<u>HCPCS CODE</u>	<u>DESCRIPTION</u>	<u>MA</u>
V5030	Hearing Aid, Monaural, Body Worn, Air Conduction	B.R.*
V5040	Hearing Aid, Monaural, Body Worn, Bone Conduction	B.R.
V5050	Hearing Aid, Monaural, In The Ear	B.R.
V5060	Hearing Aid, Monaural, Behind The Ear	B.R.
V5070	Glasses, Air Conduction	B.R.
V5080	Glasses, Bone Conduction	B.R.
V5090 LT or RT	Dispensing Fee, Unspecified Hearing Aid	\$ 175.00
	NOTE: Monaural. Specify LT=left or RT=right.	
V5100	Hearing Aid, Bilateral, Body Worn	B.R.
	NOTE: One unit, with Y-cord or bilateral cords.	
V5110	Dispensing Fee, Bilateral	\$ 175.00
V5120	Binaural, Body	B.
V5130	Binaural, In The Ear	B.R.
V5140	Binaural, Behind The Ear	B.R.
V5150	Binaural, Glasses	B.R.
V5160	Dispensing Fee, Binaural	\$ 280.00
V5170	Hearing Aid, Cros, In The Ear	B.R.
V5180	Hearing Aid, Cros, Behind The Ear	B.R.
V5190	Hearing Aid, Cros, Glasses	B.R.
V5200	Dispensing Fee, Cros	\$ 175.00
V5210	Hearing Aid, Bicos, In The Ear	B.R.
V5220	Hearing Aid, Bicos, Behind The Ear	B.R.
V5230	Hearing Aid, Bicos, Glasses	B.R.

<u>HCPCS CODE</u>	<u>DESCRIPTION</u>	<u>MAXIMUM F ALLOWANCE</u>
V5240	Dispensing Fee, Bicros	
V5299	Hearing Aid, Not Otherwise Classified	
Y4100	Returned Hearing Aid	
Y4200	Hearing Aid Repair, Laboratory Invoice Cost	
Y4200 YF	Hearing Aid Repair, Dispenser's Service Fee	
	NOTE: The repair charges are broken down into the laboratory costs and the dispenser's service fees. This code will also serve for minor in-office repair.	
Y4300	Earmold, Laboratory Invoice Cost	
Y4300 YF	Earmold, Dispenser's Service Fee	
Y4400	Battery for Hearing Aids (Per Battery)	
Y4410	Replacement Hook, Door, or Volume Control	
Y4510	Cord, Replacement part for Hearing Aid	
Y4520	Receiver, Replacement Part for Hearing Aid	
Y4530	Tubing, Associated with Hearing Aid Repair	
Y4540	Garment Bag, Associated with Hearing Aid	
Y4550	Bone Conductor, Used with Hearing Aid	
Y4560	Headband, Used with Hearing Aid	
Y4620	Use of Electric Test Box to Test Electroacoustic Performance of Hearing Aid.	
Y4630	Hearing Aid, Monaural, in the Canal	
Y4640	Hearing Aid, Binaural, in the Canal	

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