MSA MEDICAL SERVICES ADMINISTRATION

# Bulletin

Michigan Department of Community Health

**Distribution:** Hearing Aid Dealers 03-02
Hearing and Speech Centers 03-02

**Issued:** August 1, 2003

**Subject:** Procedure Code Updates and Policy Clarifications

**Effective:** October 1, 2003

**Programs Affected:** Medicaid, Children's Special Health Care Services

This bulletin is to notify you of the HCPCS (Healthcare Common Procedure Coding System) changes that will be implemented by the Michigan Department of Community Health (MDCH) for dates of service on and after October 1, 2003.

This bulletin also transmits enrollment and billing policy for manufacturers of cochlear implant parts and replacements, as well as providing clarification of the following:

- Cochlear Implant Repair and/or Replacement of Parts
- Replacement of the Speech Processor
- Cochlear Implant Programming and Aural Rehabilitation Codes
- Speech Therapy
- Hearing Aid Repairs/Modifications
- Hearing Aid Supplies and Accessories
- Hearing Aid Dispensing Fee
- Hearing Aid Acquisition Costs
- Hearing Aid Battery Fee Screen Adjustment
- Evaluations and Follow-Up for Speech-Generating Devices

## CODING CHANGES

Listed below are the HCPCS procedure code and/or modifier changes being adopted by the MDCH for Hearing Aid Dealers, Hearing and Speech Centers, and specially-enrolled Cochlear Implant Manufacturers for dates of service on and after October 1, 2003.

**Table 1 – Additions (Bill for dates of service on and after October 1, 2003)**

| HCPCS Code | Modifier(s) | Description | Comment |
|---|---|---|---|
| L7510 | | REPAIR OF PROSTHETIC DEVICE, REPAIR OR REPLACE MINOR PARTS | PT 80 (special), Replaces Z6008, Z6011, Z6012, Z6013, Z6015, Z6016, Z6017, Z6021, Z6022, Z6025, Z6026, Z6027, Z6028, Z6029, Z6032, Z6039 |
| L8619 | | COCHLEAR IMPLANT EXTERNAL SPEECH PROCESSOR, REPLACEMENT | PT 80 (special), Replaces Z6010 |

**Table 1 – Additions (Bill for dates of service on and after October 1, 2003)**

| HCPCS Code | Modifier(s) | Description | Comment |
|---|---|---|---|
| V5014 | RT or LT | REPAIR/MODIFICATION OF A HEARING AID | PT 90, Replaces Z6044, Z6045 |
| V5267 | | HEARING AID SUPPLIES/ACCESSORIES | PT 90, Replaces Z6018, Z6019, Z6031, Z6033, Z6035, Z6036, Z6037 |

**Table 2 – Deletions (Do NOT use for dates of service on and after October 1, 2003)**

| Local Code | Description | Comment |
|---|---|---|
| 92510 | COCHLEAR REHAB FOR EAR IMPLANT | Bill the individual components (i.e., Programming, aural rehabilitation) |

**Table 3 – Replacements (Effective for dates of service on and after October 1, 2003)**

| Local Code | Description | Comment |
|---|---|---|
| Z6008 | COCHLEAR IMPL REPAIRS | Replaced by L7510 |
| Z6010 | COCHLEAR PROCESSOR REPLACEMENT | Replaced by L8619 |
| Z6011 | COCHLEAR HEADSET | Replaced by L7510 |
| Z6012 | COCHLEAR COIL | Replaced by L7510 |
| Z6013 | COCHLEAR MICROPHONE | Replaced by L7510 |
| Z6015 | COCHLEAR TRANS CABLE OR CORD | Replaced by L7510 |
| Z6016 | COCHLEAR HEADSET CABLE/CORD | Replaced by L7510 |
| Z6017 | COCHLEAR MAGNET | Replaced by L7510 |
| Z6018 | HEARING AID DRI-AID KIT | Replaced by V5267 |
| Z6019 | HEARING AID EARHOOK | Replaced by V5267 |
| Z6021 | COCHLEAR POUCH PAD OR UNPAD | Replaced by L7510 |
| Z6022 | COCHLEAR MICROPHONE COVER | Replaced by L7510 |
| Z6025 | COCHLEAR HARNESS | Replaced by L7510 |
| Z6026 | COCHLEAR HARNESS EXT/ADAPTER | Replaced by L7510 |
| Z6027 | COCHLEAR BELT CLIP | Replaced by L7510 |
| Z6028 | COCHLEAR AUXILIARY CABLE ADAP | Replaced by L7510 |
| Z6029 | COCHLEAR SIGNAL CHECKER | Replaced by L7510 |
| Z6031 | STETHOSCOPE (UNDER AGE 21 ONLY) | Replaced by V5267 |
| Z6032 | COCHLEAR BATTERY CHARGER KIT | Replaced by L7510 |
| Z6033 | HEARING AID BATTERY TESTER | Replaced by V5267 |
| Z6035 | HEARING AID EARMOLD BLOWERS | Replaced by V5267 |
| Z6036 | HEARING AID SUPERSEALS | Replaced by V5267 |
| Z6037 | HEARING AID HOLSTER/HUGGIES | Replaced by V5267 |
| Z6039 | COCHLEAR RECHARGE BATTERY | Replaced by L7510 |
| Z6044 | HEARING AID REPAIR/MODIFICATION; UNDER $40 | Replaced by V5014 |
| Z6045 | HEARING AID REPAIR/ MODIFICATION; $40 AND OVER | Replaced by V5014 |

## COCHLEAR IMPLANT REPAIR AND/OR REPLACEMENT OF PARTS - STANDARDS OF COVERAGE

To receive payment for replacement parts and repairs, the cochlear implant manufacturer must enroll as a Provider Type 80 through a special enrollment process.

Coverage of cochlear replacement parts is considered if:

- The device is in continuous use and still meets the needs of the beneficiary
- A certified audiologist has established a plan of care and substantiates the need for the repairs
- Repairs are necessary to allow the device to be functional
- The device being repaired is FDA-approved and meets all Medicaid standards of coverage
- For replacement of a speech processor (out of the three-year warranty), the speech processor is irreparable or lost
- For replacement of a speech processor with an upgraded model:
  - Documentation substantiates that the newer generation technology will provide additional capacity for functional improvement in oral communication and learning

    AND

  - The processor has been worn for at least four years

All charges for cochlear implant parts and repairs are to reflect no more than the usual and customary charge to the general public.

### Cochlear Implant Repair and/or Replacement Documentation

- A copy of the signed physician's prescription with complete information regarding the cochlear implant system must be kept in the manufacturer's records for 6 years.
- Documentation from the certified audiologist substantiating the need for the requested replacement part, along with its brand name and model number, must be kept in the manufacturer's records for 6 years.

### Cochlear Implant Parts Replacement Maximums

The following replacement parts may be considered for reimbursement under the all-inclusive HCPCS L7510, if necessary, at a maximum of:

| Item | Maximum |
|---|---|
| Headset (3-piece component) | 1 per 3 years |
| Headset (as component parts) | |
| Microphone | 1 per year |
| Cochlear Coil | 1 per year |
| Cochlear Magnet | 1 per year |
| Transmitter Cable or Cord | 4 per 6 mos. |
| Headset Cable or Cord | 4 per 6 mos. |
| Pouch | 1 per year |
| Microphone Cover | 1 per year |
| Cochlear Harness Extension Adapter | 1 per 3 years |
| Cochlear Belt Clip | 1 per 3 years |

| **Item** | **Maximum** |
| --- | --- |
| Cochlear Auxiliary Cable Adapter | 1 per 3 years |
| Cochlear Signal Checker | 1 per 3 years |
| Rechargeable Batteries (per set of two) | 1 per year |
| Disposable Batteries for Ear Level Processors | 150 per 6 mos. |
| Battery Charger Kit | 1 per 3 years |

### Prior Authorization Requirements for L7510

Prior authorization is **not** required for L7510 if:

- The sum of all charges for parts and repairs equals $200 or less on one date of service

  AND
- The sum of all charges for parts and repairs within the past 365 days is $400 or less

Prior authorization **is** required for L7510 if:

- The sum of all charges for parts and repairs exceeds $200 on one date of service
- The sum of all charges for parts and repairs within the past 365 days exceeds $400
- An item exceeds the item maximum as stated above

The following documentation must be submitted with the PA request:

- Documentation from certified audiologist and/or other medical professional on the team to substantiate need for the parts and/or repair
- Itemization of materials used to repair device and rationale for any related labor costs

## BILLING INSTRUCTIONS FOR REPLACEMENT OF THE SPEECH PROCESSOR

To report the replacement of the speech processor with a new same generation or new upgraded speech processor, use HCPCS code L8619. These services always require prior authorization.

The following documentation must be submitted with the PA request:

- Documentation from the certified audiologist and/or other medical professional on the team to substantiate need for the processor replacement.

## COCHLEAR IMPLANT PROGRAMMING AND AURAL REHABILITATION CODES

Bulletin MSA 03-02 listed four new HCPCS codes for cochlear implant programming effective 4/1/03.

HCPCS codes 92601 and 92603, depending on age, describe post-operative analysis and fitting of previously-placed external devices, connection to the cochlear implant, and programming of the stimulator. These codes may be billed once per beneficiary.

HCPCS 92602 and 92604, depending on age, describe subsequent sessions for measurements and adjustment of the external transmitter and re-programming of the internal stimulator. These codes may be billed 2 times before prior authorization is required.

HCPCS code 92510 (aural rehab following cochlear implant) covers both programming and rehabilitation services and should no longer be billed. New HCPCS codes 92601 – 92604 cover programming services. Use 92507 for aural rehabilitation services.

## SPEECH THERAPY-CLARIFICATIONS TO MSA BULLETIN 02-02

Bulletin MSA 02-02, issued January 1, 2002, instructed Hearing and Speech Centers to bill HCPCS codes 92507 and 92508 (individual and group speech therapy) using a quantity of 1 = 25 minutes.

Effective for dates of service on and after October 1, 2003, HCPCS codes 92507 and 92508 must be billed to represent one complete encounter of speech therapy. No more than one encounter for individual speech therapy and one encounter for group speech therapy may be billed on the same date of service. Each encounter must represent a minimum of 25 minutes of therapy provided on the date of service.

Prior authorization is required if more than 36 speech therapy encounters are billed within the first 90 days or for speech therapy exceeding 90 days.

## SPEECH THERAPY-CLARIFICATIONS TO MSA BULLETIN 02-04

### Physician Referral for Speech Therapy

MDCH no longer requires a physician prescription for speech therapy. A physician referral is required for program coverage. A physician referral for speech therapy must be documented in the beneficiary's medical record and must include the following:

- Beneficiary name
- Beneficiary date of birth
- Diagnosis for referral (for CSHCS beneficiaries, this must be the CSHCS-qualifying diagnosis)
- A statement indicating that the beneficiary is being referred for Speech Therapy

A new physician referral must be made at least annually for continuing treatment lasting longer than 12 months. Whenever a beneficiary is discharged from speech therapy treatment, a new referral must be made and an evaluation and treatment plan must be completed before treatment may resume.

A copy of the physician referral must be attached to all prior authorization requests for speech therapy.

### Physician Acceptance of Treatment Plan

MDCH continues to require physician acceptance of the speech therapy treatment plan. Physician acceptance of the speech therapy treatment plan must be documented by one of the following processes:

- Phone call to the referring physician (Document date and time the phone call occurred)
- Copy of the plan to the referring physician (Document date sent and method sent)
- Referring physician sign-off on the treatment plan

Documentation of the physician acceptance of the speech therapy treatment plan must be placed in the beneficiary's medical record.

## BILLING INSTRUCTIONS FOR REPAIRS AND/OR MODIFICATIONS OF A HEARING AID

HCPCS code V5014 is billed with the appropriate "LT"/"RT" modifier to report hearing aid repairs or modifications not covered under warranty. Charges for hearing aid repairs and/or modifications are to reflect no more than the actual cost plus 10%. Actual cost is defined as acquisition cost of materials used for the repair plus related labor costs and actual shipping costs.

### Prior Authorization Requirements for V5014

Prior authorization is **not** required for V5014 if:

- The charges for the repair/modification are less than $80
- HCPCS V5014 is billed no more than 2 times in 365 days

Prior authorization **is** required for V5014 if:

- The requested charge amount is over $80
- HCPCS V5014 is billed more than 2 times in 365 days

Repairs that exceed either the maximum charge limit of $80 or 2 episodes in 365 days **require PA.** An itemization of materials used to repair the hearing aid and rationale for any related labor costs must be submitted with the PA request.

## HEARING AID SUPPLIES AND ACCESSORIES REPLACEMENT MAXIMUMS

The following hearing aid supplies and accessories may be considered for reimbursement under the all-inclusive HCPCS V5267, if necessary, at a maximum of:

| Item | Maximum |
|---|---|
| Hearing Aid Dry Aid Kit | 2 per year per hearing aid |
| Hearing Aid Earhook | 4 per year per hearing aid |
| Hearing Aid Superseals | 2 per year per hearing aid |
| Hearing Aid Holster/Huggies | 4 per year per hearing aid |
| Stetheset (Under 21 years of age) | 1 with initial hearing aid only |
| Hearing Aid Battery Tester | 1 with initial hearing aid only |
| Hearing Aid Earmold Blower | 1 with initial hearing aid only |

Charges for hearing aid supplies and accessories are to reflect no more than the acquisition cost for the supplies/accessories plus 10%. Acquisition cost is defined as the manufacturer's invoice price, minus any discounts, and includes actual shipping costs.

### Prior Authorization Requirements for V5267

Prior authorization is **not** required for V5267 if:

- The sum of all charges for accessories/supplies within the past 365 days is $40 or less

Prior authorization **is** required for V5267 if:

- Any single item is billed with requested charge amounts of over $40
- The sum of all charges for accessories/supplies billed within the past 365 days is over $40
- An item exceeds the item maximum as stated above

Hearing aid supplies/accessories that exceed either the maximum charge limit of $40 or the replacement maximums **require PA**. A list of supplies/accessories provided under this HCPCS code within the past 365 days must be submitted with the PA request.

## HEARING AID DISPENSING FEE

Reimbursement for the hearing aid dispensing fee includes hearing aid delivery and any modifications and adjustments required within the manufacturer's warranty period. The hearing aid dispensing fee also includes the following:

- Fitting, orientation and checking of hearing aid(s)
- Initial earmolds and impressions
- Instructions on use and care of hearing aid(s)
- All necessary components that may include cords, tubing, connectors, receiver and huggies
- One standard package of appropriate batteries per aid (or charger for rechargeable models)
- One year warranty on parts and labor repairs
- A minimum 30-day trial/adjustment period

The Hearing Aid Dealer is **not** to bill for HCPCS code V5011, fitting/orientation/checking of hearing aid, in addition to the dispensing fee.

The Hearing Aid Dealer is to bill the dispensing fee only when providing direct patient contact in delivering and instructing the beneficiary on the use and care of the hearing aid.

## HEARING AID ACQUISITION COSTS

MDCH reimbursement of hearing aids will be the lesser of the provider's acquisition cost or Medicaid's maximum allowable amount. Acquisition cost is defined as the manufacturer's invoice price, minus any discounts, and includes actual shipping costs. A copy of the manufacturer's invoice showing the price, the model, and serial number of the aid must be present in the beneficiary's medical record.

All hearing aids must include a one-year manufacturer's replacement guarantee (at no cost to the beneficiary or MDCH) for a lost, broken, or stolen hearing aid.

## REPLACEMENT OF DISPOSABLE HEARING AID BATTERIES

MDCH continues to reimburse Hearing Aid Dealers for the replacement of disposable hearing aid batteries. HCPCS code V5266 may be billed, as appropriate, with a quantity of up to 25 batteries per hearing aid per six months. Charges for hearing aid batteries are to reflect no more than the acquisition cost for the batteries plus 10%. Acquisition cost is defined as the manufacturer's invoice price, minus any discounts, and includes actual shipping costs.

MDCH has recently determined that the maximum fee screen set for HCPCS code V5266 far exceeds the cost to providers. Therefore, effective 10/1/03, the maximum fee screen for HCPCS code V5266 will be reduced to $0.62 per battery.

Hearing Aid Dealers may **not** bill for replacement of disposable batteries for cochlear implant devices.

## EVALUATIONS AND FOLLOW-UP FOR SPEECH-GENERATING DEVICES (SGD)

Bulletin MSA 03-02, issued March 1, 2003, listed three new HCPCS codes for SGD evaluations and follow-up by the Speech Language Pathologist (SLP).

HCPCS code 92607 describes the first hour of face-to-face time spent by the SLP evaluating or re-evaluating the beneficiary to determine the need for a specified SGD. The results of this evaluation must be shared with the prescribing physician. This code may be billed 1 time in 3 years without prior authorization.

HCPCS code 92608 is only to be billed in addition to 92607, when necessary, to describe subsequent 30-minute increments of face-to-face time spent evaluating or re-evaluating the beneficiary to determine the need for a specified SGD. This code may be billed up to a quantity of 10 (5 additional hours) 1 time in 3 years without prior authorization.

HCPCS code 92609 describes SGD follow-up care that requires the skills of an SLP as is identified by the evaluating SLP. 92609 covers training or set-up services (including programming and modification) that are not provided by the SGD vendor. This code may be billed up to 2 times per year before prior authorization is required.

The CPT 2003 Manual description for HCPCS code 92597 has changed. The code should now only be used to bill for an SLP evaluation of a beneficiary to determine the need for an electro-larynx. This code should not be used to bill for SGD evaluations. 92597 may be billed 1 time in 3 years without prior authorization.

### Manual Maintenance

Retain this bulletin for future reference.

### Questions

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

### Approval

Paul Reinhart, Director
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