

MEDICAID POLICY INFORMATION SHEET

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Initial

Public Comment

Final

Brief description of policy:

This bulletin provides notification of revisions to the services and products included under the Medicaid hearing aid dispensing fee and of updates to the hearing aid dealers fee schedule. The changes are effective for hearing aids dispensed on or after January 1, 2023.

Reason for policy (problem being addressed):

The reimbursement rates for hearing aid dispensing and follow-up services are lower than the cost-of-service delivery. This is impacting beneficiary access to hearing aid services. Additionally, there is provider confusion related to the services and items included within the hearing aid dispensing package. This is causing inconsistent billing and reimbursement practices.

Budget implication:

budget neutral

will cost MDHHS \$ 666,993 Gross (\$490,774 Federal /\$176,219 State), and is not budgeted in current appropriation

will save MDHHS \$

Is this policy change mandated per federal requirements?

No

Does policy have operational implications on other parts of MDHHS?

No

Does policy have operational implications on other departments?

No

Summary of input:

controversial

acceptable to most/all groups

limited public interest/comment

Supporting Documentation:

State Plan Amendment Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Public Notice Required: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide status: <input type="checkbox"/> Approved <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Denied	If yes, Submission Date:
Date: Approval	Date:

DRAFT FOR PUBLIC COMMENT Michigan Department of Health and Human Services		
	Project Number: 2240-Hearing	Date: October 20, 2022

Comments Due: November 23, 2022
Proposed Effective Date: January 1, 2023
Direct Comments To: Adriena Krul-Hall
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Fax:

<p>Policy Subject: Updates to Hearing Aid Dispensing Services Package and Rates</p> <p>Affected Programs: Medicaid, Healthy Michigan Plan, MICHild, and Children’s Special Health Care Services</p> <p>Distribution: Practitioners, Federally Qualified Health Centers, Rural Health Clinics, Tribal Health Centers, Hearing Aid Dealers, Hearing Centers, Outpatient Hospitals, Medicaid Health Plans, and Integrated Care Organizations</p> <p>Summary: This bulletin provides notification of revisions to the services and products included under Medicaid’s hearing aid dispensing fee and of updates to the hearing aid dealers fee schedule. The changes are effective for hearing aids dispensed on or after January 1, 2023.</p> <p>Purpose: To increase beneficiary access to hearing aid services and reduce inconsistent billing and reimbursement practices between hearing aid providers.</p> <p>Cost Implications: \$666,993 Gross (\$490,774 Federal/\$176,219 State)</p> <p>Potential Hearings & Appeal Issues: Aware of none</p>

State Plan Amendment Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, date submitted:	Public Notice Required: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Submitted date:
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Tribal Notification: Yes No - Date:

THIS SECTION COMPLETED BY RECEIVER

<input type="checkbox"/> Approved	<input type="checkbox"/> No Comments
<input type="checkbox"/> Disapproved	<input type="checkbox"/> See Comments Below
	<input type="checkbox"/> See Comments in Text

Signature:	Phone Number
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Signature Printed:

Bureau/Administration <i>(please print)</i>	Date
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Proposed Policy Draft

Michigan Department of Health and Human Services
Behavioral & Physical Health and Aging Services Administration

Distribution: Practitioners, Federally Qualified Health Centers, Rural Health Clinics, Tribal Health Centers, Hearing Aid Dealers, Hearing Centers, Outpatient Hospitals, Medicaid Health Plans, Integrated Care Organizations

Issued: December 1, 2022 (Proposed)

Subject: Updates to Hearing Aid Dispensing Services Package and Rates

Effective: January 1, 2023 (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan, and Children's Special Health Care Services (CSHCS)

NOTE: Implementation of the fee schedule updates within this policy are contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services (CMS).

This policy applies to Medicaid Fee-for-Service (FFS). Medicaid Health Plans (MHP) and Integrated Care Organizations (ICO) 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 an MHP or ICO, the provider must check with the health plan for applicable billing and coding specifics.

This bulletin provides notification of revisions to the services and products included under the Medicaid hearing aid dispensing fee and of updates to the hearing aid dealers fee schedule. The changes in this policy are effective for hearing aids dispensed on or after January 1, 2023.

Hearing Aid Dispensing Fee

Medicaid currently allows hearing aid providers to bill a separate charge for dispensing a Medicaid-covered hearing aid(s) when providing direct patient contact in delivering, fitting, and orientating beneficiaries on the use and care of the device. This fee applies to both digital or contralateral routing system models purchased through the Medicaid volume purchase contract agreement and noncontracted hearing aids.

Effective for hearing aids dispensed on or after January 1, 2023, professional services and products included in the Medicaid dispensing fee have been revised. Reimbursement for the dispensing fee includes all the following for a period of 90 days unless otherwise noted:

- Hearing aid delivery. Packing, shipping, and handling are provided by the hearing aid manufacturer at no cost to the dispensing provider.

- Initial and follow up care for hearing aid set up and management. Services include, but are not limited to, electroacoustic assessments, programming or setting of internal device controls, device inspections, cleanings, physical fit adjustments, and accessory pairing.
- Initial and follow up hearing aid education. Services include, but are not limited to, orientation, education, and instruction on use, care, and maintenance of the device.
- One 90-day supply of disposal batteries per aid (non-rechargeable models).
- All components necessary for the hearing aid's operation. These are generally provided by the hearing aid manufacturer and include items such as rechargeable batteries, chargers, cords, tubing, connectors, or receivers.
- A 90-day trial/adjustment period with exchange/return privilege. This warranty is provided by the hearing aid manufacturer at no cost to the dispensing provider.

Providers are required to report the dispensing fee using the monaural or binaural dispensing fee Healthcare Common Procedure Coding System (HCPCS) code that most appropriately reflects the hearing aid model dispensed. Individual components of the dispensing fee must not be reported separately.

Hearing aid fitting, checking, orientation, or other service described under HCPCS code V5011 should not be reported within 90 days of the hearing aid's dispensed date. These services are included in the Medicaid dispensing fee reimbursement. Providers may bill additional fitting/checking services when medically necessary and appropriate following the expiration of the 90-day dispensing period.

A conformity evaluation for verification and validation of a hearing aid's benefit and performance provided on the same date of service as the dispensing fee will not be separately reimbursed. Providers may bill for additional follow-up conformity evaluations occurring during or after the 90-day dispensing period.

Ear molds and hearing aid supplies and accessories not provided by the manufacturer may be billed separately from the dispensing fee.

All other hearing aid policy requirements remain unchanged. (Refer to the Hearing Services and Devices chapter in the [Michigan Department of Health and Human Services \[MDHHS\] Medicaid Provider Manual](#) for additional policy and coverage information.)

Hearing Aid Services Fee Schedule

MDHHS has updated the hearing aid dispensing fee and fitting/checking/orientation visit reimbursement rates according to the payment methodology outlined within the Michigan Medicaid State Plan. (Refer to the Medicaid Hearing Aid service fee schedule at www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Hearing Services/Hearing Aid Dealers or the Medicaid Code and Rate Reference tool located within the external links menu in the Community Health Automated Medicaid Processing System [CHAMPS] for current rates.) The database is reviewed at least annually and updated as necessary.