

To:

- Ambulatory Surgery Centers
- Audiologists
- Federally Qualified Health Centers
- Hearing Instrument Specialists
- Home Health Agencies
- Individual Medical Supply Providers
- Medical Equipment Vendors
- Outpatient Hospital Providers
- Pharmacies
- Physical Therapists
- Physician Clinics
- Physicians
- Rehabilitation Agencies
- Speech-Language Pathologists
- Speech and Hearing Clinics
- Therapy Groups
- HMOs and Other Managed Care Programs

Prior Authorization Requirements and Procedure Code Changes for Cochlear Implants and Bone-Anchored Hearing Devices

This *Wisconsin Medicaid and BadgerCare Update* clarifies the prior authorization (PA) requirements for cochlear implants and bone-anchored hearing devices originally published in the March 2005 *Update* (2005-20), titled "Wisconsin Medicaid Coverage of Cochlear and Bone-Anchored Hearing Devices."

Effective for dates of service on and after October 1, 2007, Wisconsin Medicaid is also updating coverage, policies, and limitations to reflect Healthcare Common Procedure Coding System (HCPCS) code changes. These changes include the following:

- Adding new HCPCS procedure codes.
- Changing maximum allowable fees and PA requirements.
- Replacing HCPCS procedure codes.

Requesting Prior Authorization for Surgeries

Wisconsin Medicaid separately reimburses durable medical equipment (DME) providers for cochlear implants and bone-anchored hearing devices when the surgery is performed in an ambulatory surgery

center or outpatient hospital *and* an approved (or modified) prior authorization (PA) request from the performing surgeon is on file.

The performing surgeon is required to request PA from Wisconsin Medicaid for cochlear and bone-anchored hearing device implant surgery by submitting the following forms to Wisconsin Medicaid:

- Prior Authorization Request Form (PA/RF), HCF 11018 (10/03).
- Prior Authorization Physician Attachment (PA/PA), HCF 11016 (01/03).

Effective immediately, the performing surgeon must submit the PA/PA instead of the Prior Authorization/Hearing Instrument and Audiological Services (PA/HIAS1),

HCF 11020 (10/03), and the Prior Authorization Request/Hearing Instrument and Audiological Services (PA/HIAS2), HCF 11021 (06/04), for cochlear and bone-anchored hearing device implant surgery as previously instructed.

A separate PA request is not required for the equipment. Wisconsin Medicaid will verify that the surgeon's PA request was approved before reimbursing the DME provider's claim, so DME providers should *not* indicate the surgeon's PA number on their claims. Including a PA number on the DME claim may cause the DME claim to deny. Wisconsin Medicaid will deny the DME provider's claim if an approved PA request from the performing surgeon is not on file with Wisconsin Medicaid.

Prior Authorization Guidelines for Cochlear Implant Surgery for Children and Adults

The approval criteria below for cochlear implant surgery for children and adults are **effective immediately**.

Prior Authorization Approval Criteria and Documentation Requirements for Cochlear Implant Surgery for Children

The following are PA approval criteria and documentation requirements for cochlear implant surgery for children ages 18 and under:

- Implants for children younger than 12 months may be approved if the Federal Drug Administration has approved use of the device in the age cohort.
- Documentation for children under 24 months of age must include the following:

- ✓ Profound bilateral sensorineural hearing loss (with thresholds 90 dB HL or poorer for 1000 Hz in the better ear).
- ✓ Lack of progress in the development of auditory skills in conjunction with appropriate binaural amplification and participation in intensive auditory rehabilitation over a three- to six-month period. (Limited benefit from amplification may be defined by test scores of less than 40 percent correct in the best aided listening condition on recorded open-set sentence tests.)
- Documentation for children 24 months of age and older must include the following:
 - ✓ Severe to profound bilateral sensorineural hearing loss (with average thresholds [500 Hz to 2000 Hz] 70 dB HL or poorer in the better ear).
 - ✓ Lack of progress in the development of auditory skills in conjunction with appropriate binaural amplification and participation in intensive auditory rehabilitation over a three- to six-month period. (Limited benefit from amplification is defined and may be quantified as an aided score of 30 percent or less on the Multisyllabic Lexical Neighborhood Test (MLNT) for children 25 months to 5 years of age, and an aided score of 30 percent or less on the Lexical Neighborhood Test (LNT) for children 5 years of age or older.)
- The child is cognitively and psychologically suitable for the implant.

- The hearing loss is not due to problems with the auditory nerve or central auditory nervous system.
- There are no medical contraindications to surgery for the implant, as determined by the cochlear implant (CI) team.
- There is radiographic evidence (computerized tomography [CT] and/or magnetic resonance imaging [MRI]) of cochlear development.
- The child's state of health permits the surgical procedure, as determined by a physician.
- The ear (right or left) to be implanted must be specified.
- The family has been properly informed about all aspects of the cochlear implant, including evaluation and surgical and rehabilitation procedures.
- Documentation of family/placement stability and support.
- Local school or rehabilitation facilities are able and willing to provide a concentrated oral and/or aural rehabilitation program recommended by the CI team.

Prior Authorization Approval Criteria and Documentation Requirements for Cochlear Implant Surgery for Adults

The following are PA approval criteria and documentation requirements for cochlear implant surgery for adults ages 19 and older:

- The recipient has a moderate to profound sensorineural hearing loss (50 dB or poorer averaged over 500 Hz to 2000 Hz in the better ear).
- The recipient demonstrates limited benefit from amplification as defined by test scores of less

than 40 percent correct in the best aided listening condition on recorded open-set sentence tests.

- The recipient is psychologically suitable and motivated for the procedure as determined by the CI team.
- There is radiographic evidence (CT/MRI) showing the lack of cochlear ossification, as well as the suitability for placing the electrode array in the cochlea and the receiver-stimulator in the mastoid bone.
- There are no medical contraindications for the implant, as determined by the CI team.
- The recipient's state of health permits the surgical procedure, as determined by a physician.
- The ear (right or left) to be implanted must be specified.

Prior Authorization Approval Criteria and Documentation Requirements for Surgical Implant of Bone-Anchored Hearing Devices

The following PA approval criteria and documentation requirements for bone-anchored hearing device surgery are **effective immediately**:

- The recipient is approximately 5 years of age or older at the time of surgery.
- The recipient has a conductive and/or mixed hearing loss (unilateral or bilateral).
- The recipient demonstrates a pure tone average bone conduction threshold of up to 70 dB.
- The recipient demonstrates a word recognition score greater than 60 percent with the use of amplification.
- The recipient has 3mm or greater of bone thickness at the implant site.
- The patient has one of the following conditions:
 - ✓ Severe, chronic external otitis or otitis media.

- ✓ Chronic draining ear through a tympanic membrane perforation.
- ✓ Congenital or surgically induced malformation of the external auditory canal or middle ear.
- ✓ Acquired stenosis of the external auditory canal.
- ✓ Ossicular discontinuity or erosion that cannot be repaired.
- ✓ Chronic dermatologic conditions, such as psoriasis, of the ear canal.
- ✓ Tumors of the external canal and/or tympanic cavity.
- ✓ Other conditions in which an air-conduction hearing aid is contraindicated in the ear to be implanted, or where the condition prevents restoration of hearing using a conventional air-conductive hearing aid.

Requesting Prior Authorization for Devices Not Requiring Surgery

When submitting a PA request for a bone-anchored hearing device that uses a processor and headband rather than a surgically-implanted device, providers are required to submit the following forms to Wisconsin Medicaid:

- PA/HIAS1.
- PA/HIAS2.

Procedure Code Changes for Bone-Anchored Hearing Devices

Effective for dates of service (DOS) on and after October 1, 2007, Wisconsin Medicaid will no longer reimburse providers for bone-anchored hearing devices under procedure code L8699 (Prosthetic implant, not otherwise specified). Providers are

required to use procedure code L8690 (Auditory osseointegrated device, includes all internal and external components) for requesting PA and claims submission for bone-anchored hearing devices.

Refer to Attachment 1 of this *Wisconsin Medicaid and BadgerCare Update* for a revised list of allowable procedure codes for cochlear implants and replacement parts. Refer to Attachment 2 for allowable procedure codes for bone-anchored hearing device replacement parts.

Prior Authorization Requirements for Bone-Anchored Hearing Devices

Providers submitting PA requests with planned DOS before October 1, 2007, should continue to indicate procedure code L8699 on the PA request.

Providers submitting PA requests with planned DOS on or after October 1, 2007, should indicate procedure code L8690 on the PA request.

Providers with approved PA requests containing L8699 with planned DOS on or after October 1, 2007, should amend their PA requests by changing the procedure code from L8699 to L8690.

Other Procedure Code Changes

Wisconsin Medicaid has made the following changes for cochlear implants, bone-anchored hearing devices, and replacement parts:

- Prior authorization requirements.
- Place of service (POS).
- Provider type.
- Establishing a maximum allowable fee.

Refer to Attachments 1 and 2 for a list of procedure codes, procedure code descriptions, maximum allowable fees, PA requirements, allowable provider types, and allowable POS.

All procedure codes in this *Update* are separately reimbursable for nursing home recipients.

Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at dhfs.wisconsin.gov/medicaid/.

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ATTACHMENT 1

Allowable Procedure Codes for Cochlear Implants

Providers should indicate the following procedure codes on prior authorization requests and claims for cochlear implants.

Allowable Place of Service Codes and Provider Types for Submitting Claims for Cochlear Implant Surgery	
Place of Service Codes	Provider Types
11 — Office 12 — Home 22 — Outpatient Hospital 24 — Ambulatory Surgery Center 31 — Skilled Nursing Facility 32 — Nursing Facility 99 — Other Place of Service	19-22 — Physician Clinics and Physicians 24 — Federally Qualified Health Centers 26 — Pharmacies 36 — Speech and Hearing Clinics 37 — Audiologists 44 — Home Health Agencies 48 — Home Health/Personal Care Dually Certified Providers 54 — Medical Equipment Vendors

Code	Description	Maximum Allowable Fee	Prior Authorization	Life Expectancy	Copayment	Place of Service Codes	Provider Type
L7510	Repair of prosthetic device, repair or replace minor parts	Individually Priced	Yes, if the repair or parts exceed \$150	Varied	\$3.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54
L8614	Cochlear device, includes all internal and external components	\$21,500.00	Physicians only in the case of surgery	No	\$3.00	22, 24	54
L8615	Headset/head-piece for use with cochlear implant device, replacement	\$360.00	No	3 years	\$3.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54
L8616	Microphone for use with cochlear implant device, replacement	\$240.00	No	1 per year	\$3.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54
L8617	Transmitting coil for use with cochlear implant device, replacement	\$77.19	No	4 per 6 months	\$2.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54
L8618	Transmitter cable for use with cochlear implant device, replacement	\$22.06	No	4 per 6 months	\$1.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54

Code	Description	Maximum Allowable Fee	Prior Authorization	Life Expectancy	Copayment	Place of Service Codes	Provider Type
L8619	Cochlear implant external speech processor, replacement	\$6,000.00	No	3 years	\$3.00	11, 12, 22, 24, 31, 32	19-22, 36, 37, 54
L8621	Zinc air battery for use with cochlear implant device, replacement, each	\$1.02	No	33 per month	\$.50	11, 12, 22, 24, 31, 32, 99	19-22, 36, 37, 54
L8622	Alkaline battery for use with cochlear implant device, any size, replacement, each	\$1.02	No	33 per month	\$.50	11, 12, 22, 24, 31, 32, 99	19-22, 36, 37, 54
L8623	Lithium ion battery for use with cochlear implant device speech processor; other than ear level, replacement, each	\$53.00	No	2 per year	\$2.00	11, 12, 22, 24, 31, 32, 99	24, 26, 36, 37, 44, 48, 54
L8624	ear level, replacement, each	\$122.00	No	2 per year	\$3.00	11, 12, 22, 24, 31, 32, 99	24, 26, 36, 37, 44, 48, 54

ATTACHMENT 2

Allowable Procedure Codes for Bone-Anchored Hearing Device and Replacement Parts

Providers should indicate the following procedure codes on claims for bone-anchored hearing device and replacement parts.

Allowable Place of Service Codes and Provider Types for Submitting Claims for Cochlear Implant Surgery	
Place of Service Codes	Provider Types
11 — Office 12 — Home 22 — Outpatient Hospital 24 — Ambulatory Surgical Center 31 — Skilled Nursing Facility 32 — Nursing Facility 99 — Other Place of Service	19-22 — Physician Clinics and Physicians 24 — Federally Qualified Health Centers 26 — Pharmacies 36 — Speech and Hearing Clinics 37 — Audiologists 54 — Medical Equipment Vendors

Code	Description	Maximum Allowable Fee	Prior Authorization	Life Expectancy	Copayment	Place of Service Codes	Provider Type
L7510	Repair of prosthetic device, repair or replace minor parts	Individually Priced	Yes, if the repair or parts exceed \$150	Varied	\$3.00	11, 12, 22, 24, 31, 32	24, 26, 36, 37, 54
L8690	Auditory osseointegrated device, includes all internal and external components	\$4,742.00	Physicians only in the case of surgery	5 years	\$3.00	22, 24	54
L8691	Auditory osseointegrated device, external sound processor, replacement	\$2,152.00	No	5 years	\$3.00	11, 12, 22, 24, 31, 32	19-22, 36, 37, 54
V5266	Battery for use in hearing device	\$1.02	No	12 per month	\$0.50	11, 12, 31, 32, 99	<i>No provider restrictions</i>
V5298	Hearing aid, not otherwise classified [use when a processor and headband is worn and surgery is not required]	\$2,590.00	Yes	5 years	\$3.00	11, 22	19-22, 36, 37, 54