

## To:

Audiologists  
 Home Health Agencies  
 HMOs and Other Managed Care Programs  
 Individual Medical Suppliers  
 Medical Vendors  
 Nursing Facilities  
 Pharmacists  
 Rehabilitation Agencies  
 Speech and Hearing Clinics  
 Speech and Language Pathologists/Therapists  
 Therapy Groups

## Billing and reimbursement for augmentative communication devices

This Update describes Wisconsin Medicaid's current billing requirements and reimbursement policy for augmentative communication devices.

Wisconsin Administrative Code establishes requirements for Medicaid providers including:

- Billing Medicaid their usual and customary charges.
- Following regulations regarding reimbursement of least costly devices.
- Accepting Medicaid reimbursement as payment in full.

This Update applies to fee-for-service Medicaid providers only. If you are a Medicaid HMO network provider, contact your managed care organization (MCO) for more information about their billing procedures. Coverage is the same for Medicaid recipients in both fee-for-service and Medicaid managed care programs.

### Usual and customary charges

Providers are required to bill Medicaid their usual and customary charges. As defined under Section 49.43(1m), Wis. Stats., a provider's usual and customary charges to Wisconsin Medicaid are not to "exceed the general level of charges by others who render such service or care, or provide such commodities, under similar or comparable circumstances within the community in which the charge is incurred." Wisconsin Medicaid may verify these charges by auditing the provider's financial records.

### Least costly devices

Wisconsin Administrative Code requires Wisconsin Medicaid to prior authorize and reimburse the least costly device that is medically necessary to treat the recipient's condition, according to the following regulations:

- HFS 101.03(96m)(b)8, Wis. Admin. Code, requires a covered medically necessary device to be "cost-effective compared to an alternative medically necessary service which is reasonably accessible to the recipient."
- HFS 107.02(3)(e)6, Wis. Admin. Code, requires the Department of Health and Family Services (DHFS) to consider "the extent to which less expensive alternative services are available."
- HFS 107.24(4)(d), Wis. Admin Code, states: "The provider shall weigh the costs and benefits of the equipment and supplies when considering purchase or rental of durable medical equipment (DME) and [disposable] medical supplies" (DMS).

### Payment in full

Under Chapter 49.45(14), Wis. Stats., providers are required to accept the Wisconsin Medicaid payment as payment in full and may not impose any extra charge on any recipient or person on behalf of the recipient. For each covered service, the DHFS pays the lesser of

a provider's usual and customary charge or the maximum allowable fee established by the DHFS. Medicaid reimbursement, less appropriate copayments and payments by other insurers, will be considered payment in full.

### Life expectancy

Under current policy, Wisconsin Medicaid monitors life expectancy of the augmentative communication device as a part of the prior authorization (PA) process based on medical necessity, including factors such as:

- Changes in the recipient's condition and circumstance.
- The appropriateness and effectiveness of the equipment in meeting the recipient's needs.
- Documentation of the recipient's abilities to use the device.

Wisconsin Medicaid considers each situation separately and has no established life expectancy limits.

### Applicable procedure codes

Wisconsin Medicaid uses the following procedure codes for augmentative communication devices:

- W6808 Communicator, including accessories.
  - Type of service (TOS) "P" (purchase) and "R" (rental).
  - Prior authorization is required.
- V5336 Repair/modification of augmentative communicative system or device (excludes adaptive hearing aid).
  - TOS "P" for all providers, except nursing facilities, which are reimbursed with TOS "R."
  - Prior authorization required for repairs/modifications over \$150.

As defined under Section 49.43(1m), Wis. Stats., a provider's usual and customary charges to Wisconsin Medicaid are not to "exceed the general level of charges by others who render such service or care, or provide such commodities, under similar or comparable circumstances within the community in which the charge is incurred."

The Wisconsin Medicaid Update is the first source for provider information including Medicaid policy and billing information.

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

For provider questions, call the Medicaid fiscal agent at (800) 947-9627 or (608) 221-9883 or visit our web site at: [www.dhfs.state.wi.us/mcicaid](http://www.dhfs.state.wi.us/mcicaid).