



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

October 17, 2011

N.L.: 07-1011

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)  
ADMINISTRATORS, MEDICAL CONSULTANTS AND STATE  
CHILDREN'S MEDICAL SERVICES (CMS) AND REGIONAL OFFICE  
STAFF

SUBJECT: HEARING AIDS

The purpose of this Numbered Letter (NL) is to update hearing aid policy and benefits for children determined medically eligible for the treatment of hearing loss.

## BACKGROUND

In June 2005, the county CCS programs and CMS Regional Offices were delegated authority to review and authorize hearing aids for children who are beneficiaries under Medi-Cal, CCS or Healthy Families in N.L. 12-0605. Maximum allowances and appropriate codes for regular Medi-Cal benefit hearing aids are located in the Medi-Cal Allied Health Manual under "**Hearing Aids: Billing Codes and Reimbursement Rates hear aid cd**" and are a benefit to children open for the treatment of hearing loss without the need for additional medical review. Hearing aids above the regular Medi-Cal benefit, requested with the Early Periodic Screening, Diagnostic, and Treatment – Supplemental Services (EPSDT-SS) hearing aid code Z5946, are reviewed for medical eligibility and authorized by the County nurse case managers, with assistance from the State Audiology Consultants as necessary.

Clarification is necessary to determine appropriate candidacy for pediatric hearing aids above the regular Medi-Cal benefit. EPSDT regulations do not include or exclude services based on a specific technology, but rather, that the services are necessary to correct or ameliorate the medical condition, and are generally accepted as the standard of care by the medical community. The CCS-approved pediatric audiologist is the expert on the medical needs of the patient and the technology best suited for the condition. It is the responsibility of the audiologist to provide justification for medical necessity to support the request for a hearing aid using the EPSDT hearing aid code Z5946. Requests with appropriate medical justification that are not more than \$500 above benefit costs should not require additional review by the State Audiology Consultants. Hearing aids requested with the regular Medi-Cal benefit Healthcare Common Procedure Coding System (HCPCS) codes (any hearing aid HCPCS code beginning with "V") do not require medical justification for authorization.

Hearing aid rentals are a benefit for Medi-Cal, CCS, and Healthy Families recipients. It is not necessary to process the rental of hearing aids through the EPSDT-SS Program, and the providers are reimbursed with a fixed daily rate.

## **POLICY**

- A. According to California Business and Professions Code Chapter 7.5, Article 3, Section 3365.6, a child 16 years old and younger requires the recommendation of a hearing aid by both a board-certified otolaryngologist and a state licensed audiologist within six months of the sale of the hearing aid. The only exception to this requirement is the replacement of an identical hearing aid within one year. The recommendation from the physician can be in the form of a signed prescription or medical report, indicating the child is medically an appropriate candidate for one or two hearing aids.
- B. Requests for regular Medi-Cal benefit hearing aids, using the hearing aid HCPCS codes that begin with "V", do not require review for medical justification and are a benefit every four years, regardless of circumstance. Requests prior to four years must be accompanied with one of the following justifications:
  - 1. The current hearing aid(s) are no longer working and require extensive repair, approximate to the cost of a new hearing aid.
  - 2. The current hearing aid(s) are lost.
  - 3. The hearing loss and/or technology needs of the child has significantly changed and requires upgrading. Requests of this nature are required to have medical justification, regardless of the hearing aid requested.
- C. Requests to authorize hearing aids as EPSDT-SS Z5946 require documentation of medical necessity. Examples of medical necessity for EPSDT-SS hearing aids may include, but are not limited to:
  - 1. Digital processing for sound clarity when high frequency hearing loss interferes with the ability to distinguish consonant fricatives (e.g. sh, s, f).
  - 2. Programming capabilities, for adapting the amplification of the hearing aid as the hearing loss or audiometric data changes.

3. Multiple channels for programming needs in various listening situations when background noise would interfere with speech discrimination.
  4. Directional microphones, to assist in the reduction of background noise.
  5. Feedback reduction capabilities.
  6. Other specific features of the hearing aid that will best ameliorate the configuration, type and degree of hearing loss.
- D. It is required that hearing aids dispensed for children 10 and younger be frequency modulation (FM) system compatible or easily adaptable for FM compatibility, whether or not the FM system is being requested or currently utilized by the client. Bluetooth connectivity is a medically appropriate request, and often more cost effective than the traditional FM receiver options.
- E. For CCS Program beneficiaries who do not have full-scope, no share of cost Medi-Cal, Loss and Damage Insurance is a covered benefit. (N.L. 02-0104).
- F. Hearing aid rentals are a benefit when:
1. Beneficiaries have been approved to be evaluated by a CCS-approved Cochlear Implant Center and are required to fulfill the trial period prior to cochlear implantation.
  2. Configurations of hearing loss require multiple or extended trial periods of the hearing aid(s).
  3. A hearing aid is unavailable due to new hearing aids being ordered or extensive repairs result in a period of two or more weeks without hearing aids.
- G. Rentals for hearing aids may be authorized for the following time periods:
1. For cochlear implant trial periods, 180 days if requested by the Cochlear Implant Center.
  2. For multiple or extended trial periods, 90 days with the possibility of a 90-day extension, if requested by the CCS approved Communication Disorder Center.

3. For new hearing aids or repairs, 60 days with the possibility of extension up to 180 days, given just cause (appointment availability, problems with the repaired hearing aid).
  4. Rentals should not be authorized for more than 180 days in a program eligibility period.
- H. A refundable deposit required by the provider for a hearing aid rental is not a CCS benefit and may require payment by the patient. Should the hearing aid rental be lost or damaged beyond repair while under the authorization of CCS, the replacement of identical hearing aids for the provider will be authorized under the beneficiary, the authorization for the remainder of the loaner period will be cancelled, and the deposit refunded to the patient. Should CCS deny the hearing aid rental or the replacement of the hearing aid rental, it is within the rights of the provider to directly bill the patient. The misuse of rental hearing aids may affect future determination of compliance with clinical recommendations and appropriate patient motivation in the care of the hearing aid.

## **IMPLEMENTATION**

- A. Hearing aids should be reviewed and processed according to the implementation instructions in N.L.12-0605 and authorized using the HCPCS code as requested by the provider. The modifier –NU must be on the service authorization request (SAR).
- B. Hearing aids requested under HCPCS code Z5946 should be authorized with the modifier –NU and the EPSDT-SS box on the SAR should remain unchecked.
- C. Hearing aid rentals should be authorized using V5298 with the modifier –RR. One unit is the equivalent of one day of use and should be authorized according to the request, not to exceed the recommended days outlined in the policy. The following special instructions will be included on the SAR:

“Rental of a hearing aid: please note the number of units authorized equals the number of days per hearing aid. The daily rental rate is \$1.53; claims should include the appropriate number of units and the correct to and from service dates. The claim line should not exceed 99 units/days and multiple lines should be used if 99 units are exceeded.”

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Should you have any questions regarding the authorization of hearing aids and hearing aid rentals, please contact the State Audiology Consultants at [AudConsult@dhcs.ca.gov](mailto:AudConsult@dhcs.ca.gov).

Thank you for your services to California's children.

Sincerely,

**ORIGINAL SIGNED BY DR. DIMAND**

Robert Dimand, M.D.  
Chief Medical Officer  
Children's Medical Services