



**FORWARDHEALTH**

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## **AUDIOLOGY TERMS OF REIMBURSEMENT**

Wisconsin Medicaid reimbursement for the majority of covered hearing instruments is made under contract between the Department of Health Services (DHS) and hearing aid manufacturers that were chosen as a result of a competitive bid process.

The DHS establishes maximum allowable fees for all covered audiology services and all hearing aid dispensing services, equipment, and supplies provided to Wisconsin Medicaid members eligible on the date of service. The maximum allowable fees are based on various factors, including a review of usual and customary charges submitted to Wisconsin Medicaid, the Wisconsin State Legislature's Medicaid budgetary constraints, the results of a competitive bid process for volume purchase discounted prices, and other relevant economic limitations. Likewise, specific hearing aid models were chosen during the competitive bid process based on the price of the model in relationship to the maximum allowable fee. Maximum allowable fees may be adjusted to reflect reimbursement limits or limits on the availability of federal funding as specified in federal law.

### **Audiology Professional Services**

For diagnostic audiological services and for hearing therapy, the maximum allowable fees apply to one unit of service, which is the complete service as defined by the *Current Procedural Terminology* code description.

### **Dispensing of Hearing Aids**

For hearing aid styles that are available under contract, the provider may order only the models available under contract. The provider receives up to the maximum allowable fee for dispensing the hearing aid plus the contracted price for the specific hearing aid model.

For hearing aid styles that are not available under contract, the provider receives up to the maximum allowable fee for dispensing the hearing aid plus the lesser of the provider's net cash outlay (i.e., the manufacturer's invoice cost including end-of-month volume discounts) or the Medicaid maximum allowable fee for the materials and supplies purchased.

### *Hearing Aid Package*

The purchase of a hearing aid package (including, but not limited to, a hearing aid, ear mold, and cord) is reimbursed at the contracted price for the specific hearing aid model being dispensed. For hearing aid styles that are not available under contract, the provider receives reimbursement for the hearing aid package based on the lesser of the Medicaid maximum allowable fee or the manufacturer's invoice cost including end-of-month volume discounts. For these hearing aid styles, the provider is required to bill the manufacturer's actual invoice cost including end-of-month volume discounts. That amount is considered the net cash outlay or the actual cost to the provider. It allows the provider to fully recover his or her out-of-pocket cost for the purchase of the hearing aid furnished to Wisconsin Medicaid members.

### *Hearing Aid Accessories and Dispensing Fees*

Hearing aid accessories that are not a part of the initial hearing aid package are reimbursed based on the lesser of the Medicaid maximum allowable fee or the provider's usual and customary charge.

Providers are required to bill their usual and customary charges for the dispensing of a hearing aid.

The dispensing fee is reimbursed based on the lesser of the Medicaid maximum allowable fee or the provider's usual and customary charge. The dispensing fee includes the following services:

- A 12-month service guarantee and any necessary services to maintain proper function of the hearing aid.
- Ear mold impression.
- Initial office visit.
- Proper fitting of the hearing aid.
- Up to five post-fittings, as necessary, for adjustments and hearing aid orientation. (This includes performance checks.)

### **General Provisions**

Providers are required to bill their usual and customary charges for all services provided other than hearing aids. The usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients. For providers using a sliding fee scale for specific services, the usual and customary charge is the median of the individual provider's charge for the service when provided to non-Medicaid patients.