

HEARING INSTRUMENT SPECIALIST TERMS OF REIMBURSEMENT

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

The Department of Health Services establishes maximum allowable fees for all covered 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.

For hearing aids 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 aids 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 (that is, 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 aids that are not available under contract, the provider receives reimbursement 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 their 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 usual and customary charge is the amount charged by the provider for the same service when provided to non-Medicaid patients, as defined by Wis. Admin. Code § [DHS 101.03\(181\)](#). For providers who have not established usual and customary charges, the charge should be reasonably related to the provider's cost for providing the service.

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 service 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.)

The Department of Health Services adjusts payments made to providers to reflect the amounts of any allowable copays, which providers are required to collect pursuant to Wis. Stat. ch. 49. Wisconsin Medicaid reimbursement, less appropriate copays and payments by other insurers, is considered payment in full.

Payments for deductible and coinsurance payable on an assigned Medicare claim shall be made in accordance with Wis. Stat. § 49.46(2)(c).

In accordance with federal regulations contained in 42 C.F.R. § 447.205, Department of Health Services will provide public notice in advance of the effective date of any significant proposed change in its methods and standards for setting maximum allowable fees for services.

P-01647 (10/2021)



Wisconsin
Department of Health Services