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**TITLE 8 SOCIAL SERVICES
CHAPTER 324 ADJUNCT SERVICES
PART 6 HEARING AIDS AND RELATED EVALUATIONS**

8.324.6.1 ISSUING AGENCY: New Mexico Human Services Department.
[2/1/95; 8.324.6.1 NMAC - Rn, 8 NMAC 4.MAD.000.1, 7/1/04]

8.324.6.2 SCOPE: The rule applies to the general public.
[2/1/95; 8.324.6.2 NMAC - Rn, 8 NMAC 4.MAD.000.2, 7/1/04]

8.324.6.3 STATUTORY AUTHORITY: The New Mexico medicaid program is administered pursuant to regulations promulgated by the federal department of health and human services under Title XIX of the Social Security Act, as amended and by the state human services department pursuant to state statute. See Section 27-2-12 et seq. NMSA 1978 (Repl. Pamp. 1991).
[2/1/95; 8.324.6.3 NMAC - Rn, 8 NMAC 4.MAD.000.3, 7/1/04]

8.324.6.4 DURATION: Permanent
[2/1/95; 8.324.6.4 NMAC - Rn, 8 NMAC 4.MAD.000.4, 7/1/04]

8.324.6.5 EFFECTIVE DATE: February 1, 1995
[2/1/95; 8.324.6.5 NMAC - Rn, 8 NMAC 4.MAD.000.5, 7/1/04]

8.324.6.6 OBJECTIVE: The objective of these regulations is to provide policies for the service portion of the New Mexico medicaid program. These policies describe eligible providers, covered services, noncovered services, utilization review, and provider reimbursement.
[2/1/95; 8.324.6.6 NMAC - Rn, 8 NMAC 4.MAD.000.6, 7/1/04]

8.324.6.7 DEFINITIONS: [RESERVED]

8.324.6.8 MISSION STATEMENT: The mission of the New Mexico medical assistance division (MAD) is to maximize the health status of medicaid-eligible individuals by furnishing payment for quality health services at levels comparable to private health plans.
[2/1/95; 8.324.6.8 NMAC - Rn, 8 NMAC 4.MAD.002, 7/1/04]

8.324.6.9 HEARING AIDS AND RELATED EVALUATIONS: The New Mexico medicaid program (medicaid) pays for medically necessary health services furnished to eligible recipients, including covered hearing aids and related services [42 CFR Section 440.60(a) and Section 440.110(c)]. This section describes eligible providers, covered services, service limitations, and general reimbursement methodology.
[2/1/95; 8.324.6.9 NMAC - Rn, 8 NMAC 4.MAD.755, 7/1/04]

8.324.6.10 ELIGIBLE PROVIDERS:

A. Upon approval of New Mexico medical assistance program provider participation applications by medical assistance division MAD, the following providers are eligible to be reimbursed for services furnished to recipients:

- (1) individuals licensed to practice medicine or osteopathy;
- (2) licensed audiologists certified by the American speech and hearing association; and
- (3) hearing aid dealers registered and licensed by the New Mexico speech language pathology, audiology, and hearing aid dispensing practices board.

B. Once enrolled, providers sign a provider contract and receive a packet of information, including medicaid program policies, billing instructions, utilization review instructions, and other pertinent material from MAD. Providers are responsible for ensuring that they have received these materials and for updating them as new materials are received from MAD.

[2/1/95; 8.324.6.10 NMAC - Rn, 8 NMAC 4.MAD.755.1 & A, 7/1/04]

8.324.6.11 PROVIDER RESPONSIBILITIES: Providers who furnish services to medicaid recipients must comply with all specified medicaid participation requirements. See 8.302.1 NMAC, *General Provider Policies*.

Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance. Providers must maintain records that are sufficient to fully disclose the extent and nature of the services furnished to recipients. See 8.302.1 NMAC, *General Provider Policies*. [2/1/95; 8.324.6.11 NMAC - Rn, 8 NMAC 4.MAD.755.2, 7/1/04]

8.324.6.12 COVERED SERVICES AND SERVICE LIMITATIONS:

- A. All audiology screening, diagnostic, preventive or corrective services require medical clearance.
 - B. Audiologic and/or vestibular function studies are rendered by an audiologist or a physician.
 - C. Within specified limitations, medicaid covers the following services when furnished by physicians, licensed audiologists or by licensed hearing aid dealers:
 - (1) hearing aid purchase, rental, loans, repairs, hearing aid repair and handling, and replacements:
 - (a) binaural hearing aid fitting will be covered for a recipient with bilateral hearing loss who is attending an educational institution, seeking employment, is employed, or for individuals with a current history of binaural fitting; or
 - (b) binaural hearing aid fitting will be considered, on a case-by-case basis, for a legally blind individual.
 - (2) hearing aid accessories and supplies, including the batteries required after the initial supply furnished at the time the hearing aid is dispensed; and
 - (3) hearing aid insurance against loss and breakage up to four (4) years for all purchased hearing aids; hearing aid insurance is required when the aid is dispensed; four years of hearing aid insurance is required for recipients under twenty-one (21) years of age, nursing home residents, and recipients who are mentally retarded.
 - (4) replacement of hearing aids is limited to the provisions of the hearing aid insurance; the providers are responsible for obtaining insurance for every hearing aid purchased.
- [2/1/95; 8.324.6.12 NMAC - Rn, 8 NMAC 4.MAD.755.3 & A, 7/1/04]

8.324.6.13 NONCOVERED SERVICES: Hearing aid and related evaluation services are subject to the limitations and coverage restrictions that exist for other medicaid services. The provider must notify recipients of the coverage limitations prior to providing services. See 8.301.3 NMAC [MAD-602], *General Noncovered Services*. Medicaid does not pay for "hearing aid checks" (assessing a hearing aid for functionality). Hearing aid selection and fitting is considered included in the hearing aid dispensing fee, and will not be reimbursed separately. [2/1/95; 8.324.6.13 NMAC - Rn, 8 NMAC 4.MAD.755.4 & A, 7/1/04]

8.324.6.14 PRIOR AUTHORIZATION AND UTILIZATION REVIEW: All medicaid services are subject to utilization review for medical necessity and program compliance. Reviews can be performed before services are furnished, after services are furnished and before payment is made, or after payment is made. See 8.302.5 NMAC, *Prior Authorization and Utilization Review*. Once enrolled, providers receive instructions and documentation forms necessary for prior approval and claims processing.

- A. **Prior authorization:** The following services and procedures require prior authorization from MAD or its designee:
 - (1) hearing aid dispensing, purchase, rental and replacement; and
 - (2) hearing aid repairs for which the provider's billed charge exceeds one hundred dollars (\$100.00); services for which prior authorization was obtained remain subject to review at any point in the payment process.
- B. **Medical clearance:** Physician medical approval is required on any request for prior authorization for hearing aids. Physicians must certify that recipients are suitable candidates for hearing aids by signing the hearing aid evaluation/information for medicaid prior authorization form, documentation on physician letterhead, or prescription document. This documentation must be submitted with the prior approval request. For all fittings of hearing aids on recipients under sixteen (16) years of age, recipients must be examined by physicians who are board certified in the diagnosis and treatment of diseases and conditions of the ear.
- C. **Eligibility determination:** Prior authorization of services does not guarantee that individuals are eligible for medicaid. Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance.
- D. **Reconsideration:** Providers who disagree with prior authorization request denials or other review decisions can request a re-review and a reconsideration. See 8.350.2 NMAC [MAD-953], *Reconsideration of Utilization Review Decisions*. [2/1/95; 8.324.6.14 NMAC - Rn, 8 NMAC 4.MAD.755.5 & A, 7/1/04]

8.324.6.15 REIMBURSEMENT:

A. Hearing aid or related service providers must submit claims for reimbursement on the HCFA-1500 claim form or its successor. See 8.302.2 NMAC, *Billing for Medicaid Services*. Once enrolled, providers receive instructions on documentation, billing and claims processing. Reimbursement to providers is made at the lesser of the following:

- (1) the provider's billed charge; or
- (2) the MAD fee schedule for the specific service or product.

B. The provider's billed charge must be its usual and customary charge for the service or product.

C. "Usual and customary charge" refers to the amount that the individual provider charges the general public in the majority of cases for a specific service or product.

D. Reimbursement for hearing aids is made at the lesser of the provider's billed charge, at the cost to the billing provider as indicated by the manufacturer's, distributor's or wholesaler's invoice, not to exceed MAD's maximum reimbursement limitation amounts.

E. Reimbursement for rental of hearing aids includes the following:

- (1) rental charge for hearing aid; and
- (2) hearing aid mold and batteries.

F. Rental payments apply to the allowed amount for purchase. When the rental payments equal the amount allowed for purchase, the aid is considered purchased.

G. Reimbursement for repairs to hearing aids is based on the MAD fee schedule. Reimbursement for repairs to hearing aids done by manufacturers is the lesser of the provider's billed charge or the manufacturer's charge for the repairs, plus a predetermined handling fee. If complications in securing the manufacturer's repair cause the provider to incur handling costs exceeding the predetermined amount established by MAD, the billing provider can be reimbursed for actual handling costs incurred if these actual costs are adequately documented.

H. Reimbursement is made for additional accessories and supplies, including batteries, when required. Reimbursement is made for an additional mold when a single aid type is used for both ears.

I. Reimbursement is made for replacement ear molds.

J. Reimbursement for insurance for hearing aid loss and accidental damage is paid at the lesser of the provider's billed charge or the maximum fee allowed by MAD. If the insurance policy cost exceeds the maximum fee established by MAD, reimbursement can be made at the actual policy rate if the actual cost is documented.

[2/1/95; 8.324.6.15 NMAC - Rn, 8 NMAC 4.MAD.755.6 & A, 7/1/04]

8.324.6.16 REIMBURSEMENT LIMITATIONS:

A. **Hearing aid purchase:** Hearing aid purchase is limited to one monaural or binaural purchase per four (4) year period with the following exceptions:

- (1) children under twenty-one (21) years of age, subject to prior approval;
- (2) progressive hearing loss, such as otosclerosis;
- (3) changes due to surgical procedures;
- (4) traumatic injury; and
- (5) replacement of lost hearing aids, in accordance with insurance coverage.

B. **Dispensing fees:** The hearing aid dispensing fee includes payment for the services listed below. If a binaural dispensing fee is paid, it includes payment for all services listed below for both hearing aids:

(1) **Hearing aid evaluation:** Medicaid covers the evaluation for the hearing aid, subject to the following limitations:

(a) the evaluation for hearing aids is not payable to the same billing provider who bills for the hearing aid dispensing fee incidental to the purchase of a hearing aid; and

(b) the evaluation for hearing aids is not payable to a billing provider under the same corporate ownership as another billing provider who bills for the hearing aid dispensing fee incidental to the purchase of the hearing aid; therefore,

(c) physicians and/or audiologists can be reimbursed for audiologic and/or vestibular function studies in addition to a dispensing fee.

- (2) hearing aid selection and fitting of the aids;
- (3) testing of the hearing aids;
- (4) one ear mold per hearing aid;
- (5) one package of batteries per hearing aid;
- (6) any other accessories required to fit the aid;
- (7) all follow-up visits and adjustments necessary for a successful fitting;

- (8) cleaning and adjustments for the life of the aid; and
- (9) shipping and handling.

C. **Audiological testing:** Hearing aid dealers and dispensers are not reimbursed for audiological, audiometric, or other hearing tests. Only licensed audiologists and physicians are reimbursed for providing these testing services.

[2/1/95; 8.324.6.16 NMAC - Rn, 8 NMAC 4.MAD.755.7 & A, 7/1/04]

HISTORY OF 8.324.6 NMAC:

Pre-NMAC History: The material in this part was derived from that previously filed with the State Records Center: ISD 310.1200, Hearing Aids and Related Evaluations, filed 2/13/80.

ISD-Rule 310.1200, Hearing Aids and Related Evaluations, filed 9/2/83.

MAD Rule 310.12, Hearing Aids and Related Evaluations, filed 12/15/87.

MAD Rule 310.12, Hearing Aids and Related Evaluations, filed 7/13/90.

MAD Rule 310.12, Hearing Aids and Related Evaluations, filed 4/20/92.

History of Repealed Material:

MAD Rule 310.12, Hearing Aids and Related Evaluations, filed 4/20/92 - Repealed effective 2/1/95.