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**MassHealth  
Audiologist Bulletin 4  
October 2007**

**TO:** Audiologists Participating in MassHealth  
**FROM:** Tom Dehner, Medicaid Director   
**RE:** **Revised Billing Procedures for Certain Hearing Aid Services and Miscellaneous Billing Reminders**

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***Change in Billing Procedures***

To reduce the processing time for hearing aid services, decrease the amount of paperwork required for billing, pay claims more quickly, and encourage electronic billing, MassHealth is making a change in the billing procedures for certain services.

Beginning with dates of service on or after December 1, 2007, independent audiologists must retain the manufacturer's invoice, but will no longer be required to submit a copy of the invoice when billing for the following services:

- cochlear implant batteries (Service Codes L8621 through L8624);
- major hearing aid repairs (Service Code V5014);
- hearing aids (Service Codes V5030 through V5150, V5170 through V5190, V5210 through V5230, V5246 through V5261, and V5298);
- earmolds (Service Codes V5264 and V5265);
- hearing aid options or accessories (Service Code V5267); and
- pocket talkers (Service Code V5274).

Instead, for the above services, providers will be required to calculate the correct payment amount for the service according to the fee schedule provided in the Division of Health Care Finance and Policy (DHCFP) regulations at 114.3 CMR 23.00 (available at [www.mass.gov/dhcfp](http://www.mass.gov/dhcfp)) and report their charge on their claim as the **lower** of:

- the calculated amount; or
- the provider's usual and customary fee (U&C).

The attached MassHealth Pricing Table for Specified Hearing Aid Services is a quick-reference sheet to help you calculate services according to the current DHCFP regulations.

**Do not enter your U&C as the charge on the claim if your charge is greater than the amount allowed by the DHCFP regulations.**

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**Change in Billing Procedures**  
(cont.)

If billing on paper claim form no. 9, enter the lower of the above amounts in Item 32 (Usual Fee). If billing using the electronic 837P transaction, enter the lower of the above amounts in either Loop 2400 – SV102 (Monetary Amount) or Loop 2300 – CLM02, as applicable.

Pricing for these services will be based on the charges reported on the claim. Failure to report your charges as described above will result in a denied or incorrectly paid claim.

You must continue to maintain all documentation in the member's record, including a copy of the manufacturer's invoice, in accordance with 130 CMR 426.419 and 450.205.

This change in billing procedures applies only to independent audiologists engaged in private practice. Acute hospital outpatient audiology clinics and hospital-licensed health centers must continue to bill for these services as they do today.

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**Examples**

The following examples illustrate how a provider should calculate the correct payment amount for the service as provided in the DHCFP regulations.

**Example 1. New Purchase**

The provider is billing for a digital monaural BTE hearing aid, left ear, new purchase, with earmold and options, dispensed from the office on December 1, 2007.

**Invoice Amounts**

- The manufacturer's invoice for the hearing aid is itemized as follows.
  - \$179.99 – base model (prior authorization (PA) is required if greater than \$500).
  - \$ 64.99 – hearing aid options
  - \$ 17.99 – hearing aid options
  - \$ 12.99 – shipping and handling
- The manufacturer's invoice for the earmold is for \$24.00.

**Allowable Fees Provided by DHCFP Regulations**

- The MassHealth fee for hearing aids is the adjusted acquisition cost (AAC).
- The MassHealth fee for earmolds is the AAC plus the dispensing fee allowed under the DHCFP regulations (\$13.52 per ear).
- The MassHealth fee for options and accessories is the AAC plus 40%.

**Examples**  
(cont.)

**Calculations**

Calculate the provider charges.

|         |                                       |                 |
|---------|---------------------------------------|-----------------|
| V5257LT | Monaural BTE (base cost from invoice) | \$179.99        |
|         | + shipping/handling                   | \$ 12.99        |
|         | <b>Total charge for V5257LT</b>       | <b>\$192.98</b> |
|         |                                       |                 |
| V5264   | Earmold (invoice cost)                | \$ 24.00        |
|         | + dispensing fee                      | \$ 13.52        |
|         | <b>Total charge for V5264</b>         | <b>\$ 37.52</b> |
|         |                                       |                 |
| V5267   | Options (invoice cost)                | \$ 64.99        |
|         | Options (invoice cost)                | \$ 17.99        |
|         | Total invoice amount for all options  | \$ 82.98        |
|         | + 40% markup                          | \$ 33.19        |
|         | <b>Total charge for V5267</b>         | <b>\$116.17</b> |

**Charges on Claim**

Compare the calculated amount against your U&C, and enter the lower amount as the charge on claim form no. 9 or the 837P transaction, as applicable.

| Description             | Service Code | Units | Charge                 |
|-------------------------|--------------|-------|------------------------|
| Monaural dispensing fee | V5241LT      | 1     | \$2500.00*             |
| Digital monaural BTE    | V5257LT      | 1     | \$ 192.98 <sup>†</sup> |
| Earmold                 | V5264        | 1     | \$ 37.52 <sup>†</sup>  |
| Options/accessories     | V5267        | 2     | \$ 116.17 <sup>†</sup> |

**Example 2. Major Repair**

The provider is billing for a major repair of two hearing aids, right and left, picked up from a member residing in a nursing facility, and returned to the member on December 1, 2007.

**Invoice Amounts**

The manufacturer's invoice is itemized as follows.

|                 |                             |
|-----------------|-----------------------------|
| \$240.00        | \$120 per aid, x 2 aids     |
| \$ 14.99        | shipping and handling       |
| <b>\$254.99</b> | <b>Total invoice amount</b> |

**Allowable Fee Provided by DHCFF Regulations**

The MassHealth fee for V5014 in the office is the AAC plus 40%. The out-of-office increase for V5014 is an additional 15% of the in-office fee. This would be AAC + 40% + 15%.

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\* The charge for the dispensing fee should reflect your U&C. Only the charges for the services listed in the attached MassHealth Pricing Table for Specified Hearing Aid Services must reflect the MassHealth fee, calculated according to the DHCFF regulations at 114.3 CMR 23.00.

<sup>†</sup> This is the lower of the calculation or your U&C.

**Examples**  
(cont.)

**Calculations**

Calculate the provider charges.

|       |   |                       |
|-------|---|-----------------------|
| V5014 | Repair, \$120.00 per aid, x 2 aids (invoice cost) | \$240.00              |
|       | + shipping/handling                               | \$ 14.99              |
|       | <hr/> Total AAC                                   | <hr/> \$254.99        |
|       | + 40% markup                                      | \$102.00              |
|       | <hr/> In-office fee for V5014                     | <hr/> \$356.99        |
|       | + 15% out-of-office increase                      | \$ 53.55              |
|       | <hr/> <b>Total charge for V5014</b>               | <hr/> <b>\$410.54</b> |

**Charges on Claim**

Compare the calculated amount against your U&C, and enter the lower amount as the charge on claim form no. 9 or the 837P transaction, as applicable.

| Description        | Service Code | Units | Charge                |
|--------------------|--------------|-------|-----------------------|
| Hearing aid repair | V5014        | 2     | \$410.54 <sup>†</sup> |

**MassHealth Reminders**

The rest of this bulletin contains reminders about other matters that are important to audiologists participating in MassHealth.

**Modifiers LT and RT**

Effective for dates of service on and after August 1, 2006, providers must use modifier LT (for left ear) or RT (for right ear) when billing for the purchase of a new monaural hearing aid (Service Codes V5030 through V5060, V5246, V5247, V5256, and V5257) and monaural dispensing (Service Code V5241).

Do not use these modifiers for services other than monaural hearing aid purchases and monaural dispensing. Use of these modifiers on service codes other than those listed above will result in a denied claim.

When billing on claim form no. 9, append the two-character modifier to the end of the service code. Do not use a hyphen or other characters to connect the two codes. The service code-modifier combination should be entered on the claim as a single, seven-character service code (for example, V5030LT).

When using the 837P transaction, enter the five-character service code in Loop 2400 – SV101-2 and the two-character modifier in Loop 2400 – SV101-3.

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<sup>†</sup> This is the lower of the calculation or your U&C.

**MassHealth Reminders**  
(cont.)

When requesting PA for a monaural hearing aid, include the applicable modifier with the request. You must submit your claim exactly as it appears on the approved PA, including the applicable modifier. Failure to include the approved modifier on your claim will result in a denied claim.

**Adjustments, Cleanings, and Minor Repairs (99499)**

Bill for adjustments to a hearing aid, hearing aid cleanings, and minor in-office repairs to a hearing aid (for example battery door replacement or new tubing) using **Service Code 99499** (unlisted evaluation and management service). See 130 CMR 426.416(H).

Specify the number of units on your claim for the number of services provided. (For example, bill for two hearing aid cleanings and one battery door replacement as three units.) MassHealth pays for a maximum of six units per date of service.

**Major Repair Requiring Shipment to Manufacturer or Other Repair Facility (V5014)**

Bill for major hearing aid repairs requiring shipment to the manufacturer or other repair facility using **Service Code V5014** (repair/modification of a hearing aid). If two hearing aids were repaired on the same date of service, bill for two units of service on a single claim line. Do not bill for multiple repairs on separate claim lines or as separate transactions, as this will result in a denied claim.

**Refitting and Other Professional Services (V5011)**

Bill for refitting and other professional services using **Service Code V5011**, in accordance with 130 CMR 426.416(I). These services include refitting of the aid, orientation, counseling with the member or member's family, contact with interpreters, fitting of a loaner aid, and similar services. To be considered a covered service, the service must include a face-to-face encounter with the member. MassHealth pays for a maximum of one unit per date of service.

**Error Code 255**

Error Code 255 (service code requires a PA) is used to indicate that the AAC of the hearing aid for which you are billing is more than the amount allowed without PA, as listed in Subchapter 6 of the *Audiologist Manual*. In such a case, PA is required due to the cost of the hearing aid. Once PA has been obtained, you must enter the PA number in Item 4 of the paper claim form no. 9 or in Loop 2300/2400 REF02 with REF01="G1" of the electronic 837P transaction. Do not attach a copy of the PA approval letter to your claim form.

**MassHealth Reminders**  
(cont.)

**Error Code 590**

Error Code 590 (service limit exceeded/PA required) is used to indicate that the member has received binaural hearing aids, or a monaural hearing aid for the same ear, within the past five years. MassHealth pays for one hearing aid per ear per member within a five-year period. One hearing aid per ear consists of either one binaural fitting or two monaural fittings, with one aid dispensed for the right ear and the other dispensed for the left ear. PA is required for replacement hearing aids within the five-year period.

A binaural fitting is defined in 130 CMR 426.402 as “the dispensing of two hearing aids, one to each ear, where the fitting to the second ear takes place no later than six months after the fitting to the first ear.” Two monaural aids dispensed within a six-month period, one aid for each ear, would therefore be considered a single binaural fitting, not two monaural fittings. The date of service of this binaural fitting is the date of the second fitting. If you have already billed for a monaural fitting for the first ear, and your claims have been paid, please adjust your claims to reflect the new date of service and the appropriate binaural service codes.

**Error Code 770**

Error Code 770 (maximum units allowed exceeded) is used to indicate that you have billed for more than the maximum number of allowable units for a single date of service.

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**Questions**

If you have any questions about the information in this bulletin, please contact MassHealth Customer Service at 1-800-841-2900, e-mail your inquiry to [providersupport@mahealth.net](mailto:providersupport@mahealth.net), or fax your inquiry to 617-988-8974.

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## MassHealth Pricing Table for Specified Hearing Aid Services

| <b>Service</b>                    | <b>Service Code</b>   | <b>MassHealth in-Office Fee*<br/>(Effective January 1, 2007)</b>   | <b>MassHealth out-of-Office Fee*<br/>(Effective January 1, 2007)</b>  |
|-----------------------------------|---|--|---|
| Cochlear implant batteries        | L8621 - L8624   | Invoice cost<br>+ shipping   | Same as in-office rate  |
| Major hearing aid repairs         | V5014   | Invoice cost for total repair (regardless of itemization on invoice)<br>+ shipping<br>+ 40% markup (no cap)  | Invoice cost for total repair (regardless of itemization on invoice)<br>+ shipping<br>+ 40% markup (no cap)<br>+ 15% additional markup                  |
| Hearing aids                      | V5030 – V5150<br>V5170 – V5190<br>V5210 – V5230<br>V5246 – V5261<br>V5298 | Invoice cost for the base model only<br>- any discounts from the manufacturer<br>+ shipping<br><br>Do not include any costs for options/accessories that are itemized separately on the invoice. | Same as in-office rate  |
| Earmolds                          | V5264 – V5265   | Invoice cost for total repair (regardless of itemization on invoice)<br>+ shipping<br>+ \$13.52 per earmold (dispensing fee)   | Invoice cost for total repair (regardless of itemization on invoice)<br>+ shipping<br>+ \$13.52 per earmold (dispensing fee)<br>+ 15% additional markup |
| Hearing aid options / accessories | V5267   | Invoice cost for options on new hearing aid purchase, or for accessories purchased separately<br>+ shipping<br>+ 40% markup  | Same as in-office rate  |
| Pocket talkers                    | V5274   | Invoice cost<br>+ shipping<br>+ 40% markup   | Same as in-office rate  |

\* Fees are established by the Massachusetts Division of Health Care Finance and Policy. See 114.3 CMR 23.00. You can download the DHCfp regulations at no cost at [www.mass.gov/dhcfp](http://www.mass.gov/dhcfp).