



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



ARNOLD SCHWARZENEGGER
Governor

December 24, 2008

N.L. 10-1208
Index: Benefits

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

SUBJECT: UPDATE AND CLARIFICATION OF POLICY RELATED TO THE
AUTHORIZATION OF FREQUENCY MODULATED (FM) SYSTEMS OR
ASSISTIVE LISTENING DEVICES

I. PURPOSE

The purpose of this Numbered Letter (N.L.) is to update and clarify CCS policy regarding FM systems (previously described as assistive listening devices in N.L. 13-0605).

II. BACKGROUND

In June 2005, the County CCS programs and CMS Regional Offices were delegated authority to review and authorize Assistive Listening Devices for CCS clients regardless of funding source. Although there are several types of Assistive Listening Devices, the most common and medically appropriate device for children is the Frequency Modulated (FM) system. The speaker uses a compact transmitter and microphone, while the listener uses a portable receiver in the form of headphones, earphones, or directly attached to the hearing aid. A small coupler called an audio shoe or audio boot may be used to attach the FM receiver to the personal hearing aid. N.L. 36-1285 made personal FM systems a CCS program benefit. N.L. 10-1200 offered a mechanism for providing FM systems for full-scope, no share of cost Medi-Cal beneficiaries, as an Early and Periodic Screening, Diagnosis and Treatment Supplemental Services (EPSDT SS) benefit and instituted the use of Healthcare Common Procedure Code System (HCPCS) code Z5946 for

non-conventional hearing aids. Finally, N.L. 13-0605 instructed that the FM system for home use is a benefit when "... the use of hearing aids alone is not sufficient for the acquisition or improvement of speech and language." Further clarification of medical necessity is needed to determine the appropriate authorization of the FM system.

EPSDT SS benefits are mandated to be medically necessary, demonstrated by scientific evidence and standard of practice for the treatment of the condition. The services are not to be solely for the convenience of the beneficiary, family, or provider. Research is limited for the use of FM systems, and focuses on three pediatric sub-groups:

- The cochlear implant recipient
- The school-aged child
- The preschool child

Research has shown significant improvement in the acquisition of language with an FM system coupled to the cochlear implant, especially in the immediate post-implant stages. For the optimum success of a cochlear implant, many children need the additional language stimulation provided by the FM system. Research has also indicated that for the child with hearing loss in the classroom, FM systems assist in the learning environment. This is especially true if the child has an additional diagnosis that is further complicated by the hearing loss, such as Attention Deficit Disorder or Central Audiology Processing Disorder. Finally, recent studies observed improvement in the language acquisition of preschoolers with hearing loss when an FM system was also used in the home, beginning at the age of nine months, or when the child became mobile. The FM system allowed continued language stimulation while the child explored their environment, often facing away from the caregiver.

III. POLICY

- A. As stated in N.L. 13-0605, the use of an FM system solely for classroom use must be referred to the child's school. However, the purchase of the FM receivers and audio shoes may be authorized for use with school based FM systems in order to assure appropriate coupling to the child's hearing aid or cochlear implant. A copy of the child's Individualized Education Program (IEP) may be requested by the CCS program in order to ensure the use of the FM system in the school.

- B. For requests for school-aged children in the home, documentation must be submitted that includes the medical necessity of the home use for speech and language development. Documentation should include other disorders which may be hindering speech and language development, significantly low aided speech discrimination scores (<70 percent), and a specific plan of use for the increased speech and language opportunities. Explanations which include the convenience of the caregiver(s) or beneficiary are not considered appropriate.
- C. Requests for FM systems for the preschool child should be considered when the child has a CCS qualifying hearing loss and is independently mobile (i.e., crawling or walking). It should be demonstrated by the caregiver(s) to the referring audiologist that there has been consistent hearing aid use and the child tolerates the hearing aids, keeping them on all waking hours. Close monitoring of the FM system is necessary by the audiologist, as it is imperative that the child is not over-amplified and fluctuating hearing loss from possible ear infections has been considered.
- D. Cochlear implant recipients are often in need of FM systems in the school system and within the home. It is important that the FM system selected for use in the home is compatible with the FM system used at school. A copy of the child's Individualized Education Plan (IEP) may be requested by the CCS program in order to ensure the use of the FM system in the school.

IV. IMPLEMENTATION

- A. A manufacturer's catalog page indicating the wholesale price of the receivers, audio shoes, and transmitter should be included with the request for authorization, along with any additional documentation to assist in determining medical necessity, and IEPs as requested by the county medical consultant.
- B. Upon determination of medical necessity for the FM system by the county medical consultant, the authorization of the system should be processed according to N.L. 13-0605. It is important that the appropriate modifier, -NU, be included.
- C. The authorization must be issued to the Medi-Cal/NPI provider number of the audiologist, hearing aid dispenser, or outpatient hospital clinic of the dispensing provider. The authorization cannot be authorized to a Communication Disorder Center provider number or a group practice provider number.

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If you have questions regarding these policy changes, please contact the CCS audiology consultant, Lisa Satterfield, M.S., CCC/A, at (916) 323-8100.

Thank you for your services to California's children.

Original Signed by Marian Dalsey, M.D., M.P.H.

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