



State of California-Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

November 27, 2006

N.L.: 13-1106
Index: Benefits

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

SUBJECT: COCHLEAR IMPLANT SPEECH PROCESSOR UPGRADES

I. PURPOSE

The purpose of this Numbered Letter is to provide policy for the CCS Independent County programs, CMS Regional Offices, and CCS Dependent County programs for authorization of requests for Cochlear Implant Speech Processor replacements and upgrades.

II. BACKGROUND

Recent advances in cochlear implant technology have become available to previously implanted users through the upgrades of speech processors. The cochlear implant speech processor is the device worn outside the body, similar to a hearing aid, which collects the sound and transforms the signal into the electrical current sent to the electrode array implanted in the cochlear. Speech processors can be programmed for a variety of listening situations and changed easily, without disrupting the surgical device. However, the processors are not automatically interchangeable with the electrodes and must be electronically compatible.

The speech processor is a benefit of Medi-Cal and does not require an Early and Periodic Screening, Diagnosis and Treatment – Supplemental Service (EPSDT-SS) request or consultation. The decision to authorize the replacement of a speech processor with an equivalent or upgraded processor rests with the CCS medical consultants and does not need approval from the state audiology consultant. Speech processor replacement/upgrade requests have been very few in the past. However, recent upgrade options available through the cochlear implant companies have increased the number of requests for replacement speech processors.

III. POLICY

Effective the date of this letter, the following criteria, based on federal Medicare policy, should be used for determining when a speech processor replacement is warranted and should be authorized:

- The speech processor is lost.
- The speech processor is irreparably damaged.
- The speech processor has been in continuous use and is beyond its useful lifetime.
- Speech perception testing has indicated a medical necessity.

Medicare defines “useful lifetime” as “at least five years or greater.” Upgrades requested before the useful lifetime definition of five years should be accompanied by a report from a cochlear implant surgeon or audiologist, clearly defining the medical necessity of the upgrade. There are instances where children with central processing difficulties may benefit from the advanced processing abilities offered by the newer technology. Documentation of significantly increased speech perception scores (>10%, or one standard deviation of improvement) using the upgraded speech processor may indicate a medical necessity. Therefore, individualized assessment should be performed on each case to determine medical necessity.

IV. POLICY IMPLEMENTATION

- A. The speech processor is a benefit of Medi-Cal and does not require an Early and Periodic Screening, Diagnosis and Treatment – Supplemental Service (EPSDT-SS) request or consultation.
- B. Speech processors shall be authorized as a Medi-Cal benefit or ACLS Benefit in accordance with the above policy, using the HCPCS code L8619 (external speech processor).
- C. The authorizations shall be issued to the Medi-Cal provider number of the Cochlear Implant Center of Excellence providing the service.

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- D. The Medi-Cal Allied Health Provider manual states that reimbursement for the device or the external speech processor will be made at invoice price unless a price was previously negotiated.
- E. Providers must attach a copy of the invoice for the speech processor to the claim.

The CMS Branch will continue to monitor developments in cochlear implant technology and will update criteria for the authorization of implant technology and services as appropriate.

Should you have any questions regarding the authorization of speech processor upgrades, please contact Lisa Satterfield, audiology consultant, at (916) 323-8100.

Thank you for your services to California's children.

Original Signed by Marian Dalsey

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Children's Medical Services Branch