

# Health Insurance and Implantable Hearing Devices

## *Guidance for Consumers*

By Donna L. Sorkin

Where do you begin to try to convince your health insurance company to cover your cochlear implant or Baha device? Here is the latest information on what to do.



Of all the inquiries that I receive as a consumer and public affairs executive at Cochlear Americas, the questions that come most frequently and with the greatest level of frustration relate to health insurance coverage and payment for hearing related services. Despite much greater access to information than was the case ten years ago—due in large part to the Internet and excellent web resources like those offered by the Hearing Loss Association of America ([www.hearingloss.org](http://www.hearingloss.org))—this is still an area in which many people have difficulty obtaining guidance.

Lacking background on how to negotiate the system of health insurance coverage and payment (also called reimbursement), consumers often don't know where to begin when they find themselves in the position of trying to convince their insurance carrier to pay for a procedure or technology upgrade that their physician or audiologist has advised would help them hear better.

This article provides guidance on how to approach your health insurance provider if you are having difficulty gaining approval for the surgical procedure, follow-up rehabilitation, sound processor upgrades, or parts for either a cochlear implant or Baha. (Baha was thoroughly covered in the May/June 2007 issue of *Hearing Loss Magazine* in an article by Charles Limb, M.D. To read this article go to [www.hearingloss.org](http://www.hearingloss.org). Baha utilizes bone conduction to provide a pathway for sound for appropriate individuals with conductive or mixed hearing loss or single-sided deafness.)

We've organized the content to correspond with the questions or situations that we most frequently encounter.

### **What are the different kinds of health insurance and how does this break down for cochlear implantation and Baha?**

According to U.S. Census data, in 2005 approximately 60 percent of United States residents were covered

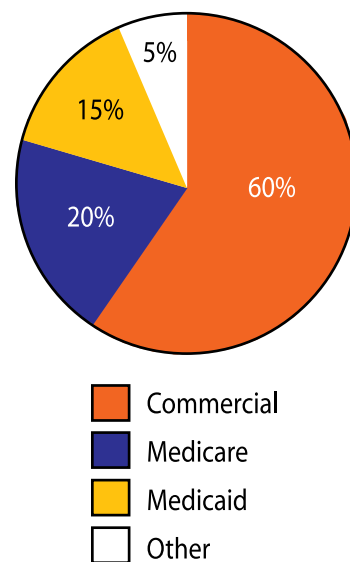
by employment-based (sometimes called private or commercial) health insurance plans. Government health plans include Medicare, Medicaid, public plans covering military or former military members and their families (e.g., Tricare or the Veterans Administration) or federal employees covered 27 percent of the population). The number of uninsured United States residents was 16 percent. (Numbers add to more than 100 percent due to sampling error.) The U.S. Census data can be found at [www.census.gov/hhes/www/hlthins/hlthin05/hlth05asc.html](http://www.census.gov/hhes/www/hlthins/hlthin05/hlth05asc.html).

Commercial plans have great variability as coverage and patient eligibility guidelines are determined by each insurance company. Plan details can also be impacted by an employer's request for specific kinds of coverage. For example, an employer may be able to buy a policy that includes bilateral implantation but they may need to ask for such coverage when they are buying the company's health insurance policy.

Medicaid covers individuals with limited income and includes children (who comprise 49 percent of those receiving Medicaid benefits), adults, blind/disabled people, and others over age 65. Like commercial plans, Medicaid has great variability in its coverage and payment for specific procedures and services because such plan details are determined by each state. With regard to cochlear implants, all states at present cover children and approximately 75 percent of states also cover Medicaid eligible adults.

Payer sources for cochlear implantation differ somewhat from the above breakdown in part because few people who are uninsured can afford to pay for cochlear implantation out-of-pocket. The chart at right shows the breakdown for health insurance coverage for cochlear implants at the time of surgery in the year 2001 based on data gathered from surgeons. Comparable data for Baha is not available at this time.

**Estimated source of insurance coverage for cochlear implantation surgery**



Source: 2001 Cochlear Americas survey of implant surgeons.

### **How difficult is it to obtain approval for a cochlear implant or Baha?**

Cochlear implantation is now covered by approximately 90 percent of private or commercial carriers. Medicare and Medicaid both cover for appropriate candidates. Insurance access to the cochlear implantation procedure appears to have gotten better in recent years.

Baha is another story. While approximately 75 percent of private insurance carriers "cover" Baha, many insurance companies still consider Baha to be a hearing aid and cover it as a hearing aid; thus the individual's policy will need to have a hearing aid rider (most don't) and the payment amount can be quite low (typically \$600-\$1000).

Medicare does cover Baha and, in fact, changed its definition of hearing aids in 2005 to clarify that certain implantable devices like Baha are not hearing aids. Some insurance companies cover Baha for people who have conductive hearing loss but will not cover for those who have single-sided deafness.

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### **Do insurance carriers typically cover bilateral cochlear implantation?**

Although bilateral implantation has been shown to provide important benefits for localization, hearing in noise and sound quality, it is not yet considered standard of care by the majority of health insurance companies. Some commercial insurance carriers have stated policies that cover bilateral implantation for appropriate candidates, but most people can expect that they will not automatically be approved for a second implant.

Reimbursement specialists often say that “a denial from an insurance provider is an invitation to come back,” meaning that the insured person should never assume that a denial on a first (or even second) request for coverage means that they could not be successful in convincing their carrier to cover if they provided more clarification or more data and asked again.

You should always assume that you may need to ask again, particularly with bilateral implantation. Many people have been successful in overturning an initial denial. In the past year, the majority of candidates who came to OMS Insurance Support (details on page 19) for assistance in overturning a denial from a commercial carrier for bilateral implantation were able to eventually gain coverage. Gaining approval for a bilateral CI is more likely if the candidate or family is persistent and demonstrates “medical necessity.”

Because Medicare does not pre-authorize (i.e., approve a procedure in advance), it is somewhat risky for a hospital to proceed with bilateral implantation for a patient covered by Medicare. Hence, most clinics will not provide bilateral implants to Medicare beneficiaries unless there is some other complicating factor such as vision loss. More details on how to launch such an appeal is provided on page 20.

### **Is there also more difficulty in convincing insurers to cover someone for bilateral hearing with the Baha system?**

Yes, the same obstacles apply to Baha whether the individual is seeking bilateral Baha (one on each side) or Baha to address Single-Sided Deafness (in which the individual has normal hearing on one side). Most insurance companies still don't recognize that bilateral hearing is the standard of care for hearing health. Having said this, we are finding that persistent consumers are often able to turn around an initial denial.

### **What is medical necessity?**

Gaining coverage and payment for the first implant, bilateral implantation, rehabilitation, sound processor upgrades, or replacement parts will require the consumer or parent to have a letter from their health care provider (generally the ENT surgeon) indicating that the surgery, services or desired device/parts are medically necessary.

There are a number of definitions of medical necessity but Medicare defines it as “services and items reasonable and necessary for the diagnosis and treatment of illness and injury or to improve the functioning of a malformed body part.” Typically a medical necessity letter will include a description of the condition (i.e., deafness), a description of the treatment, the relationship between the treatment and the condition, the lack of alternatives, and the anticipated benefit.

Expected benefits will be most convincing if it can be demonstrated that outcomes will aid the individual in the activities of daily living such as talking on the telephone, improving work or school performance due to better communication, allowing an individual to converse with medical professionals, improving safety by being able to hear cars or emergency alarms, or improving someone's sense of well-being. It is important that the medical necessity letter relate such benefits to the patient's individual condition as much as possible.

### **Do insurance companies cover sound processor upgrades for implantable hearing technology and if so, what tips can you provide to help me make my case?**

It depends. Medicare will cover an upgraded processor only if the old one is lost, stolen, or damaged beyond repair. There is more variation with commercial carriers and we are finding that many recipients are able to convince their insurance provider to cover upgrades. The first thing to do is read the durable medical equipment benefit (DME) in your insurance policy to see what it says.

Typically, health insurance carriers have covered new sound processors based upon two factors supporting medical necessity: 1) Results of before and after audiologic tests for the patient or data that predicts improved performance with the new technology; and, 2) The age or “useful life” of a sound processor. As a general rule, if the current processor has been continuously used for five to seven years, replacement with improved technology is more likely to be approved.

Some factors that might be helpful in establishing medical necessity for a processor upgrade might be:

- Enhanced sound quality (due to advanced digital signal processing)
- Water resistance (moisture is the number one reason for processor malfunctions)
- Ability to better understand speech in difficult listening environments (due to input processing options)
- Dual microphones (improves performance in noise)
- Processor provides more power than previous generations (for Baha)

It will be helpful to relate the improvements expected with the new sound processor to your activities of daily living. For example, if an adult has difficulty conducting work-related activities in noisy environments, that should be noted and discussed as it

relates to the enhancements in the new processor. A child's difficulty to converse with classmates in noisy environments or to follow a program in a reverberant auditorium at school should be discussed.

We have been pleasantly surprised at the number of recipients who have been able to secure coverage from their insurers for sound processor upgrades. We advise individuals to make a convincing case and ask! And don't be deterred if you are initially turned down.

### **What about parts to be replaced like cables and coils?**

These parts should be considered under the DME benefit as well. Many private insurance providers do cover such parts. Medicare covers cables and coils and anything necessary to keep the cochlear implant system functioning (including batteries). If the health policy has benefits for replacement durable medical equipment, a letter of medical necessity should be submitted to the insurance for pre-approval of these items.

### **Are rehabilitation services post-implant typically covered by insurance?**

Yes, most plans that cover the cochlear implant also allow benefits following the surgery for the rehabilitation required to achieve optimal outcomes. Review the applicable benefits in your policy to determine the coverage. Remember that you may appeal whatever is in your policy.

You may need to demonstrate medical necessity as determined by  
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## **Steps for Gaining Insurance Coverage for the Cochlear Implant or Baha System**

### **Understand your health plan coverage.**

- Review health plan documentation.
- Determine which services are covered and which are not.
- Familiarize yourself with the process for requesting and obtaining coverage.

### **Ask questions about specific coverage and financial liability issues prior to surgery.**

- Am I covered for surgery for implantation of the cochlear implant system (CPT 69930) or Baha system (CPT 69714)?
- Am I covered for the cochlear implant device (CPT L8614) or osseointegrated auditory implant (Baha) device (CPT L8690)?
- What is my benefit for the surgery and device?
- Do I need pre-authorization or pre-certification? (This means gaining approval for your surgery—even if your policy indicates that it covers the procedure.)
- What is my benefit maximum dollar amount?
- For any non-covered services, what is my financial responsibility?
- For services that exceed the benefit maximum, what is my financial responsibility?

### **Play an active role in the process of obtaining payment.**

- Don't leave the approval process to others.
- Write to your health plan's medical director and provide him or her with information on your medical history. Explain the importance of the procedure to you in terms of helping you in the activities of daily living (see "What is Medical Necessity?"). Be specific about your current communication problems and their impact on you.

- Note expected outcomes with the cochlear implant or Baha by utilizing study data and relating this to your own hearing history.
- Contact OMS Insurance Support for guidance.

### **In the event that your request is denied, determine the reasoning behind the denial. Your health plan will have an established appeal process for you to follow.**

#### **Follow these steps:**

- Discuss the denial with the medical director or other contact from your health plan as indicated on the denial letter.
- Contact your human resources or union representative (if this is an employment related policy). Ask them to contact the health plan on your behalf.
- Ask your clinic how they can help.
- Contact OMS Insurance Support for assistance.
- Write a letter to your health plan addressing the specific reasons for the denial stated in the correspondence from your health plan. Provide additional information regarding your medical history and the medical necessity for the cochlear implant or Baha for you.
- Request a copy of your policy.
- Keep copies of all correspondence and a log of all contacts made.

### **If all appeals are denied, contact OMS Insurance Support to assist you with a possible legal solution.**

OMS Insurance Support  
800/633-4667 (toll-free phone)  
303/524-6765 (fax)  
reimbursement@cochlear.com

If you have exhausted the appeals process, you may want to contact the CNI Center for Hearing. *See page 20.*

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the physician (for Medicare beneficiaries) or in some non-Medicare cases by a licensed clinician. It is helpful that there are established codes for rehabilitation after cochlear implant surgery. Many plans have limits on the number of sessions that can be covered, particularly for speech therapy, but even these limits can be appealed if your clinician supports the need for additional rehab services.

In general, Baha patients do not require as much rehab and there is not an established billing code for rehabilitation post surgery. Hence, gaining insurance coverage for rehabilitation after Baha surgery is much more difficult.

### **Do you find that small insurers tend to have more restrictive policies than larger ones?**

Small insurers tend to have more restrictive policies but it is generally easier to convince a small insurer to revise existing policies. Larger insurers may have more generous coverage and payment policies but it is often more difficult to convince them to change.

### **What if I am under age 65, have no insurance coverage, and am not eligible for Medicaid assistance?**

The CNI (Colorado Neurological Institute) Center for Hearing helps patients with no insurance coverage through the financial challenges of obtaining a cochlear implant or Baha. Through a cooperative effort with Cochlear Americas and Advanced Bionics, as well as a dedicated team of medical professionals, the Cochlear Implant and Baha Assistance Programs assist qualified candidates needing implants. The program awards no-charge implants though patients are responsible for all other costs associated with the procedure including hospital, anesthesia, surgical and audiology fees.

For more information, visit CNI's Web site at: <http://www.thecni.org/hearing>.

### **How do I request an appeal of my insurance carrier's decision?**

If you or a family member has been denied insurance coverage relating to cochlear implant or Baha surgery or equipment, you can file an appeal. Check your health insurance benefit book to verify if the procedure is excluded and to review options for appeal. You can make the contact yourself, request that your clinic or hospital make the contact if they have such services for patients, or request assistance from other outside specialized insurance support (details on page 19).

If you start the process yourself, begin with a phone call to request clarification of the denial and then follow-up with a written appeal letter. Insurance benefit books usually provide detail on how and where to submit an appeal.

Keep written records of calls or letters including the dates and person(s) contacted and what was said. Work with your clinic to provide medical documentation. Follow-up with the insurance company within 10 days of an initial contact. Don't be concerned about making multiple calls.

### **What resources are available?**

Many clinics have specialized staff to assist with the insurance process. Some clinics do not have such resources at their disposal or are unable to follow through on denials.

If your appeal request is denied, or if you are unable to pursue the approval process yourself, there are free resources. OMS Insurance Support is a free service for prospective candidates for cochlear implantation or Baha that will aid individuals with insurance preauthorization and verification or coverage denials. OMS Insurance Support can work directly with a patient's insurer to obtain an approval or to research, verify or clarify the benefits applicable to each of the components of the surgical procedure. There is a higher demand for services just prior to surgery but candidates can contact OMS at any time in the process.

Although the service is a specialized unit of the Cochlear Americas

Reimbursement Department, the service is not specific to any brand and no one will ever ask you what cochlear implant you plan to select. OMS Insurance Support has been in existence since 1988 and has helped over 5,000 patients. OMS staff are insurance experts with extensive knowledge of both implant technology and the insurance process. If necessary, the program can involve its external legal counsel to assist patients in insurance appeals.

OMS Insurance Support has enjoyed a high level of success in obtaining coverage for unilateral and bilateral cochlear implantation and Baha. Donations or payment for OMS Insurance Support are neither requested nor accepted.

### **Keep Asking**

The most important message to take away from this brief introduction to health insurance for implantable hearing technology is that although you may need to be aggressive about gaining coverage, many people who are appropriate candidates and have health insurance who are willing to make the effort and proactively seek assistance are able to gain approval for the implant surgery and often for follow-up services such as rehabilitation, upgrades, and device parts. ■■■

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# The Costs of Providing or Not Providing Hearing Care

**A**re hearing devices such as hearing aids and cochlear implants too expensive? In answering this question, we need to consider the sophistication of circuitry that must be durably enclosed in a very small volume of space. Thus, a hearing aid must deliver the same fidelity of a stereo system that is literally hundreds of times larger.

A cochlear implant must deliver electrical signals that require intelligent processing of far greater precision than a cardiac pacemaker does. Given these requirements, analyses have supported current costs of hearing aids and cochlear implants.

However, both consumers and health care payers remain wary of such high reimbursement costs. The price of these technologies underscores the importance of understanding whether their use represents good use of health care dollars.

It's also important that we recognize that emerging technologies such as new hearing devices are sometimes viewed with skepticism by insurers. Clinicians are occasionally cited as too aggressive in applying new devices to *all* patients within a disease category, without selecting the best candidates. Hearing care providers thus carry the responsibility of documenting both the costs and the benefits of the care and devices provided.

## Hearing Benefits and the Impact of Intervention

To understand the overall impact of addressing a hearing loss we

**Addressing hearing loss carries costs. It's important for us to be mindful that the current mindset of insurers and health care payers is to support only those interventions with a proven track record of benefit for the costs entailed.**

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need to understand the impact of the intervention on many levels.

First, we need to understand the hearing benefit provided. Beyond this we need to understand how improved hearing affects all of the principal life domains—even those domains beyond everyday communication.

For example, improved access to speech information may affect daily life activities, and participation in daily activities may carry important benefits related to both physical and emotional health. Most importantly from a public health perspective, we can ask the question of whether addressing a hearing loss affects the quality of life.

A growing body of information suggests that a hearing loss both directly and indirectly affects health-related quality of life. For example, it appears that the poorer the level of speech understanding, the greater is the reduction in important domains of life such as socialization, emotional well-being and cognitive ability.

Too often a hearing loss results in a communicatively less active

lifestyle with far-reaching consequences that progressively undermine the quality of life. Clinical research indicates that individuals with an advanced level of hearing loss use health care resources in a less effective way, thus compounding the ill-health effects of the hearing loss.

Taken together, the multiple effects of hearing loss should be considered in the greater context of health. Most insurers define coverage in terms of the appropriate and necessary treatment of a beneficiary's illness or injury according to accepted standards of medical practice, and so define "medically necessary" in these terms.

All of us know that the medical necessity of some treatments for hearing loss remains controversial. However, accumulating research continues to support the notion that appropriately applied hearing technologies offer an important treatment that contributes to a person's general health status and health-related quality of life in ways that are measurable. **ELM**

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