



July 14, 2021

Texas Health and Human Services Commission
Attention: Provider Finance Department
Mail Code H-400
P.O. Box 149030
Austin, TX 78714-9030

Dear Sir or Madame:

We write on behalf of the Texas members of the American Cochlear Implant Alliance (ACI Alliance) to oppose the Medicaid reimbursement payment schedule for cochlear implant surgery. ACI Alliance is a non-profit organization of cochlear implant (CI) surgeons, speech language pathologists, audiologists, consumers and family members of children with hearing loss, and educators of children who are deaf and hard of hearing. Cochlear implantation is a well-known and established procedure which has been approved by the FDA for use in children and adults for more than 30 years. CIs are a life-changing medical intervention that restores the ability to perceive sound and understand speech by individuals with moderate to profound hearing loss who do not benefit sufficiently from use of hearing aids. Children who are implanted early and have appropriate follow-up services have the potential to develop speech and language skills comparable to their typically hearing peers.

The recent cut in the Texas Medicaid reimbursement for cochlear implant systems, L8614, from \$23,380.00 to \$19,316.01 effective March 1, 2021 will have long term, negative impacts on Texas children with significant hearing loss, given the known impacts under-reimbursement has on access to hearing care services. This recent degradation in reimbursement places Texas at approximately two-thirds of Medicare, which are based upon actual cost. CMS has established the cochlear implant device cost at \$27,996.49 in 2021 according [to CMS-1736-FC Hospital Outpatient Prospective Payment- Notice of Final Rulemaking with Comment Period \(NFRM\)](#), Addendum P. We urge Texas Health and Human Services Commission (HHS) to revert to the previous payment schedule, which was already below actual cost as determined by CMS.

Universal newborn hearing screening provides the important opportunity for eligible children to benefit from early implantation, which facilitates access to sound and speech for deaf children. When a reimbursement reduction of this level is enacted, there is a ripple effect. Smaller clinics, such as those often located in rural areas with large numbers of Medicaid

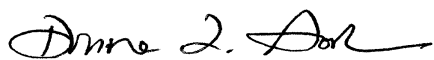
children, may be forced to stop providing the service due to the financial impact. We have witnessed this impact in other states. Even larger hospitals with greater numbers of Medicaid patients, may be under pressure to limit the number of surgeries they are allowed to undertake when reimbursement for a specific service is poor. Rationing care may not be openly discussed but it is a reality in financially challenging situations created by low reimbursement.

Families relying upon Medicaid in rural areas may not have the ability to travel to a metropolitan area with larger healthcare facilities that continue to offer a service. Limiting the financial feasibility of a healthcare service needed for a child to develop normally and causing hospitals to ration care appears to violate the Medicaid Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit.

There are long term benefits to the State of Texas in providing cochlear implants to appropriate children given the documented lower cost of education and support services, and greater opportunity for employment (and lower unemployment) for deaf children who receive cochlear implants. In 2000, Johns Hopkins scientists found that cochlear implants in children result in a *net* savings to society of more than \$53,000 per child (Cheng, JAMA, 2000). These savings are particularly important when contrasted with the more than \$1 million average expected lifetime cost of a child born with profound hearing loss who does not receive a cochlear implant (Mohr, Int J Tech Assess, 2000).

The benefits and cost effectiveness of cochlear implants for children and adults has been demonstrated by research and by the personal experiences of recipients. We urge Texas HHS to reinstate the *previous* payment schedule; for cochlear implantation this was already 16.5% below the CMS documented cost of the CI device and related hospital facility fee.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna L. Sorkin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Donna L. Sorkin MA
Executive Director
American Cochlear Implant Alliance
www.ACIAAlliance.org