

CABINET FOR HEALTH AND FAMILY SERVICES

Department for Medicaid Services

Division of Health Care Policy

(Amended at ARRS Committee)

907 KAR 1:039. Hearing Program reimbursement provisions and requirements.

RELATES TO: KRS 205.520, 205.8451, 334.010, 334.040, 334.200, 334A.020(2), 42 C.F.R. 400.203, Part 414, 438.2, 440.110, 447.200, 447.204, 42 U.S.C. 1395m, 1395w-4

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has responsibility to administer the Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with any requirement that may be imposed, or opportunity presented, by federal law to qualify for federal Medicaid funds. This administrative regulation establishes the reimbursement provisions and requirements for covered audiology services, hearing instruments, and related items provided to a Medicaid recipient who is not enrolled with a managed care organization.

Section 1. Definitions.

- (1) "Audiologist" is defined by KRS 334A.020(2).
- (2) "CPT code" means a code used for reporting procedures and services performed by medical practitioners and published annually by the American Medical Association in Current Procedural Terminology.
- (3) "Department" means the Department for Medicaid Services or its designee.
- (4) "Federal financial participation" is defined by 42 C.F.R. 400.203.
- (5) "Healthcare Common Procedure Coding System" or "HCPCS" means a collection of codes acknowledged by the Centers for Medicare and Medicaid Services (CMS) that represents procedures or time.
- (6) "Kentucky Medicaid Audiology Fee Schedule" means a list, located at <https://chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>, that:
 - (a) Contains the current reimbursement rates for audiology services established by the department in accordance with 907 KAR 1:038 and this administrative regulation; and
 - (b) Is updated at least annually to coincide with the quarterly updates made by the Centers for Medicare and Medicaid Services as required by 42 U.S.C. 1395m and 1395w-4 and 42 C.F.R. Part 414.
- (7) "Managed care organization" means an entity for which the Department for Medicaid Services has contracted to serve as a managed care organization as defined in 42 C.F.R. 438.2.
- (8) "Medically necessary" means that a covered benefit is determined to be needed in accordance with 907 KAR 3:130.
- (9) "Participating audiologist" means an audiologist who:
 - (a) Is enrolled in the Medicaid Program pursuant to 907 KAR 1:672;
 - (b) Is currently participating in the Medicaid Program pursuant to 907 KAR 1:671; and
 - (c) Meets the audiologist requirements established in 907 KAR 1:038.
- (10) "Participating specialist in hearing instruments" means a specialist in hearing instruments who:
 - (a) Is enrolled in the Medicaid Program pursuant to 907 KAR 1:672;
 - (b) Is currently participating in the Medicaid Program pursuant to 907 KAR 1:671; and
 - (c) Meets the specialist in hearing instruments requirements established in 907 KAR 1:038.

- (11) "Recipient" is defined by KRS 205.8451(9).
- (12) "Specialist in hearing instruments" is defined by KRS 334.010(11).
- (13) "Usual and customary charge" means the uniform amount that a provider bills to the general public for a specific covered benefit.

Section 2. General Reimbursement Requirements.

- (1) For the department to reimburse for a service or item, the requirements of 907 KAR 1:038, Section 2, including that the service be medically necessary, shall be met.
- (2) The department shall not reimburse for:
 - (a) A service with a CPT code that is not listed on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>; or
 - (b) An item with an HCPCS code that is not listed on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>.

Section 3. Audiology Service Reimbursement. The department shall reimburse a participating audiologist for an audiology service at the lesser of the:

- (1) Audiologist's usual and customary charge for the service; or
- (2) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the service.

Section 4. Hearing Instrument Reimbursement.

- (1) The department shall reimburse a participating specialist in hearing instruments or participating audiologist for a hearing instrument at the lesser of the:
 - (a) Provider's usual and customary charge for the hearing instrument; or
 - (b) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the hearing instrument.
- (2) A hearing examination of a recipient by a physician and a recommendation for a hearing instrument for the recipient by an audiologist shall:
 - (a) Be required for the department to cover a hearing instrument; and
 - (b) Occur prior to the fitting of a hearing instrument.
- (3)
 - (a) Except for an ear mold, an invoice for a hearing instrument, related supply, or accessory shall be submitted with the corresponding claim:
 - 1. To the department; and
 - 2. By the participating audiologist or participating specialist in hearing instruments who supplied the hearing instrument, related supply, or accessory.
 - (b) The department shall not require a participating audiologist or participating specialist in hearing instruments to submit an invoice for an ear mold.

Section 5. Ear Mold Reimbursement.

- (1) The department shall reimburse a participating audiologist or participating specialist in hearing instruments for an ear mold at the lesser of the:
 - (a) Provider's usual and customary charge for the ear mold; or
 - (b) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the ear mold.
- (2) The department shall limit reimbursement for an ear mold as consistent with the Kentucky Medicaid Audiology Fee Schedule.

Section 6. Reimbursement for Hearing Instrument Batteries.

(1) The department shall reimburse a participating audiologist or participating specialist in hearing instruments for a hearing instrument battery at the lesser of the:

- (a) Provider's usual and customary charge for the hearing instrument battery; or
- (b) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the hearing instrument battery.

(2)

- (a) The department shall reimburse for hearing instrument batteries.
- (b) The department's reimbursement for hearing instrument batteries shall be consistent with manufacturer's recommendations and at regular intervals as necessary to ensure optimal functioning of the hearing instrument.

Section 7. Replacement Cord Reimbursement. The department shall reimburse a participating audiologist or participating specialist in hearing instruments for a replacement cord at the lesser of the:

- (1) Provider's usual and customary charge for the replacement cord; or
- (2) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the replacement cord.

Section 8. Hearing Instrument Repair Reimbursement. The department shall reimburse a participating audiologist or participating specialist in hearing instruments for hearing instrument repair at the lesser of the:

- (1) Provider's usual and customary charge for the hearing instrument repair; or
- (2) Reimbursement established on the Kentucky Medicaid Audiology Fee Schedule as available at: <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx> for the hearing instrument repair.

Section 9. Not Applicable to Managed Care Organizations. A managed care organization shall not be required to reimburse the same amount as established in this administrative regulation for a service or item covered pursuant to 907 KAR 1:038 and this administrative regulation.

Section 10. Federal Approval and Federal Financial Participation. The department's reimbursement for services pursuant to this administrative regulation shall be contingent upon:

- (1) Receipt of federal financial participation for the reimbursement; and
- (2) Centers for Medicare and Medicaid Services' approval for the reimbursement.

Section 11. Appeals. A provider may appeal a department decision as to the application of this administrative regulation in accordance with 907 KAR 1:671.

(904 KAR 1:039, 2 Ky.R. 110; eff. 9-10-1975; 11 Ky.R. 659; eff. 11-13-1984; Recodified as 907 KAR 1:039, 5-2-1986; 17 Ky.R. 572; eff. 10-14-1990; 25 Ky.R. 1255, 1661; eff. 1-19-1999; 34 Ky.R. 1823, 2112; eff. 4-4-2008; 40 Ky.R. 1951, 2716; eff. 7-7-2014; Crt eff. 12-6-2019; TAm eff. 3-20-2020; 51 Ky.R. 1555, 52 Ky.R. 37; eff 7-30-2025.)

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CONTACT PERSON: Krista Quarles, Policy Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, Kentucky 40621; phone 502-564-7476; fax 502-564-7091; email CHFSregs@ky.gov.