CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-02 Medicare Benefit Policy	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 132	**Date: September 3, 2010**
	Change Request 6447

Transmittal 129, dated July 23, 2010, is being rescinded and replaced by Transmittal 132, to correct the RARC number for business requirement 6447.7.1. The Effective and Implementation dates have been changed to allow contractors time to comply with these additional requirements. All other information remains the same.

SUBJECT: Revisions and Re-issuance of Audiology Policies

I. SUMMARY OF CHANGES: This Change Request (CR) modifies policy relevant to audiology services. Changes were made to eliminate reference to "Otograms", clarify the skills of an audiologist, and clarify the contribution of technicians to diagnostic audiological tests.

EFFECTIVE DATE: September 30, 2010
IMPLEMENTATION DATE: September 30, 2010

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	15/Table of Contents
R	15/80.3/Audiology Services

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in

your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

Unless otherwise specified, the effective date is the date of service.

Attachment - Business Requirements

Pub. 100-02	Transmittal: 132	Date: September 3, 2010	Change Request: 6447

Transmittal 129, dated July 23, 2010, is being rescinded and replaced by Transmittal 132, to correct the RARC number for business requirement 6447.7.1. The Effective and Implementation dates have been changed to allow contractors time to comply with these additional requirements. All other information remains the same.

SUBJECT: Revisions and Re-issuance of Audiology Policies

Effective Date: September 30, 2010
Implementation Date: September 30, 2010

I. GENERAL INFORMATION

A. Background: In February of 2008, CMS issued CR5717, Transmittals 1470 (Pub.100-04) and 84 (Pub. 100-02), with clarifications to policies relative to audiological diagnostic tests. Among the new language was implementation of changes relative to a 2005 policy concerning services incident to physician services that are paid under the Medicare Physician Fee Schedule (MPFS). Under the MPFS, services with their own benefit category must be furnished and billed according to that benefit and may not also be billed incident to physician services. Diagnostic tests were given as an example. Audiology services are "other diagnostic tests." Since that transmittal there have been continuing questions about the policy, and there is a need for further clarification.

B. Policy: Audiology services must be personally furnished by an audiologist or nonphysician practitioner (NPP). Physicians may personally furnish audiology services, and technicians or other qualified staff may furnish those parts of a service that do not require professional skills under the direct supervision of physicians.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6447.1	Contractors shall educate suppliers via the MLN Matters article to conform to the billing policies in Pub. 100-04, chapter 12, section 30.3 when billing for audiology services.	X		X	X						
6447.2	Contractors shall utilize the list of audiology services posted on the Web site at http://www.cms.gov/PhysicianFeeSched/50_Audiology.asp to determine payment.	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6447.3	Contractors shall not pay under the MPFS for audiological diagnostic tests furnished by technicians under the direct supervision of a physician if the test requires professional skills.	X			X						
6447.3.1	Contractors shall use Claim Adjustment Reason Code (CARC) 170: "Payment is denied when performed/billed by this type of provider. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present".	X			X						
6447.4	Contractors shall not pay for audiological diagnostic tests furnished by technicians unless the service is furnished under the direct supervision of a physician.	X		X	X						
6447.4.1	Contractors shall use CARC 185: "The rendering provider is not eligible to perform the service billed. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present"; and Remittance Advice Remark Code (RARC) M136: "Missing/incomplete/invalid indication that the service was supervised or evaluated by a physician."	X		X	X						
6447.5	Contractors shall pay under the MPFS for services that require professional skills when they are personally furnished by an audiologist, physician, or NPP.	X			X						
6447.6	Contractors shall pay for diagnostic audiological tests under the MPFS when they meet the requirements of audiology services in Pub. 100-02, chapter 15, section 80.3.	X			X						
6447.7	Contractors shall not pay for services performed by audiologists and billed under the NPI of a physician.	X			X						
6447.7.1	Contractors shall use CARC 170: "Payment is denied when performed/billed by this type of provider. Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present"; and RARC N290 "Missing/incomplete/invalid rendering provider primary identifier."	X			X						
6447.8	Contractors shall pay for diagnostic audiological tests under the MPFS when they are furnished by individuals qualified as in Pub. 100-02, chapter 15, section 80.3.D.	X			X						
6447.9	When reviewing medical records of diagnostic audiological tests for payment under the MPFS, contractors shall review a technician's qualifications and the medical record to determine whether, under the unique circumstances of that test, a technician is qualified to furnish the test under the direct supervision of a physician.	X			X						
6447.10	Contractors shall educate suppliers via the MLN Matters	X		X	X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	article to document audiological diagnostic tests with sufficient information so that contractors may determine that the service qualifies as an audiological diagnostic test.										
6447.11	Contractors shall pay physicians and NPPs for treatment services furnished by audiologists incident to physicians' services when the services are not on the list of audiology services posted at http://www.cms.gov/PhysicianFeeSched/50_Audiology.asp and are not "always" therapy services and the audiologist is qualified to furnish the service.	X			X						
6447.12	Contractors shall pay for the TC of diagnostic tests that are not on the list of audiology services when those tests are furnished by audiologists under the designated level of physician supervision for the service and the audiologist is qualified to furnish the service.	X			X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
6447.14	A provider education article related to this instruction will be available at http://www.cms.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X	X						

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
6447.1	This requirement does not limit contractors to use of the MLN Matters article to educate suppliers if the contractor finds that other forms of education are needed.
6447.5	The NPI of the audiologist is not required when the service is billed by a hospital or any facility for audiology services that are furnished in the hospital or facility when those services are furnished by an audiologist who is not enrolled in Medicare or for whom a claim is not being submitted for payment under the MPFS. Physicians may not bill for the services of audiologists.
6447.6	The following language was removed from Pub. 100-02, chapter 15, section 80.3: "Computer-administered hearing tests are screening tests, do not require the skilled services of an audiologist and are not covered or payable using codes for diagnostic audiological testing. Examples include, but are not limited to "otograms" and pure tone or immitance screening devices that do not require the skills of an audiologist." Computer-administered tests may or may not be screening tests. Deletion of the example removes reference to the Otogram, a specific manufacturer's device. Contractors continue to have discretion to cover and pay or to deny coverage and payment for services represented by Category III CPT codes or unlisted codes for computer-administered or other tests based on the requirements for audiology tests furnished by qualified personnel.
6447.10	This requirement does not limit contractors to use of the MLN Matters article to educate suppliers to document audiological diagnostic tests with sufficient information so that contractors may determine that the service qualifies as an audiological diagnostic test if the contractor finds that other forms of education are needed. Absence of guidance as to how to document the services should not be construed as absence of a requirement that the service be appropriately documented in a manner that allows the contractor to determine that the requirements for audiological diagnostic tests have been met.

Section B: For all other recommendations and supporting information, use this space: NA

V. CONTACTS

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Post-Implementation Contact(s): Dorothy Shannon: Dorothy.Shannon@cms.hhs.gov

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers*:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: ***For Medicare Administrative Contractors (MACs)*****, include the following statement:**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

Medicare Benefit Policy Manual

Chapter 15 – Covered Medical and Other Health Services

Table of Contents
(Rev. 132, 09-03-10)

80.3 – Audiology *Services*

(Rev. 132, Issued: 09-03-10, Effective: 09-30-10, Implementation: 09-30-10)

References.

1861(ll)(3) of the Social Security Act for the definition of audiology services.

1861(ll)(*4*)(B) of the Social Security Act for qualifications of audiologists.

42 CFR 410.32(b) for the physician supervision requirements for diagnostic tests.

Pub. 100-04, chapter 12, section 30.3 for coding and billing information related to audiological services and aural rehabilitation.

Pub. 100-02, chapter 15, sections 220 and 230 for the physical therapy and speech-language pathology policies relative to aural rehabilitation and balance, section 60 for services incident to a physician*'s service*, and section 80.*6* for policies relevant to ordering for diagnostic tests.

Pub. 100-02, chapter 16, section 100 for hearing aid policies.

A list of audiology service codes is found at:
http://www.cms.gov/PhysicianFeeSched/50_Audiology.asp.

A. Benefit.

Hearing and balance assessment services are generally covered as "other diagnostic tests" under section 1861(s)(3) of the Social Security Act. Hearing and balance assessment services furnished to an outpatient of a hospital are covered as "diagnostic services" under section 1861(s)(2)(C).

As defined in the Social Security Act, section 1861(ll)(3), the term "audiology services" specifically means such hearing and balance assessment services furnished by a qualified audiologist as the audiologist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law), as would otherwise be covered if furnished by a physician.

Herein after in this section, hearing and balance assessment services are termed "audiology services," regardless of whether they are furnished by an audiologist, physician, nonphysician practitioner (NPP), or hospital.

Because audiology services are diagnostic tests, when furnished by a physician in an office or hospital outpatient department, they must be furnished under the appropriate level of supervision of a physician as established in 42 CFR 410.32(b)(1) and 410.28(e). However, as specified in 42 CFR 410.32(b)(2)(ii) or (v), respectively, they are excepted from physician supervision when they are personally furnished by a qualified audiologist

or performed by a nurse practitioner or clinical nurse specialist authorized to perform the tests under applicable State laws.

Audiological diagnostic testing refers to tests of the audiological and vestibular systems, e.g., hearing, balance, auditory processing, tinnitus and diagnostic programming of certain prosthetic devices, performed by qualified audiologists.

Audiological diagnostic tests are not covered under the benefit for *services* incident to a physician*'s service* (described in Pub. 100-02, chapter 15, section 60), *because they have their own benefit as* "other diagnostic tests". See Pub. 100-04, chapter 13 for *general* diagnostic test policies.

Audiology services, like all other services, should be reported under the most specific HCPCS code that describes the service that was furnished and in accordance with all CPT guidance and Medicare national and local contractor instructions.

B. Orders.

Audiology tests are covered as "other diagnostic tests" under section 1861(s)(3) or 1861(s)(2)(C) of the Act in the physician's office or hospital outpatient settings, respectively, when a physician (or an NPP, as applicable) orders such testing for the purpose of obtaining information necessary for the physician's diagnostic medical evaluation or to determine the appropriate medical or surgical treatment of a hearing deficit or related medical problem. See section 80.6 of this chapter for policies regarding the ordering of diagnostic tests.

If a beneficiary undergoes diagnostic testing performed by an audiologist without a physician order, the tests are not covered even if the audiologist discovers a pathologic condition.

When a qualified physician orders a *qualified technician (see definition in subsection D of this section) to furnish an appropriate audiology service, that order must specify which test is to be furnished by the technician under the direct supervision of a physician*. *O*nly that test may be provided on that order *by the technician*.

When the qualified physician *or NPP* orders diagnostic audiolog*y services furnished* by an audiologist without naming specific tests, the audiologist may select the appropriate battery of tests.

C. Coverage and Payment for Audiolog*y* Services.

Diagnostic services *furnished* by a qualified audiologist meeting the requirements in *section 80.3.1 of this chapter or physicians and NPPs as described in section 80.6* are *covered and* payable *under the MPFS* as "other diagnostic tests."

Services furnished in a hospital outpatient department are covered and payable under the hospital Outpatient Prospective Payment System (OPPS) or other payment methodology applicable to the provider furnishing the services.

Coverage and, therefore, payment for audiological diagnostic tests is determined by the reason the tests were performed, rather than by the diagnosis or the patient's condition.

Under any Medicare payment system, payment for audiological diagnostic tests is not allowed by virtue of *their exclusion from coverage in* section 1862(a)(7) *of the Social Security Act* when:

- The type and severity of the current hearing, tinnitus or balance status needed to determine the appropriate medical or surgical treatment is known to the physician before the test; or

- The test was ordered for the specific purpose of fitting or modifying a hearing aid.

Payment of audiological diagnostic tests is allowed for other reasons and is not limited, for example, by:

- Any information resulting from the test, for example:

    - Confirmation of a prior diagnosis;
    - Post-evaluation diagnoses; or
    - Treatment provided after diagnosis, including hearing aids, or

    - The type of evaluation or treatment the physician anticipates before the diagnostic test; or

    - Timing of reevaluation. Reevaluation is appropriate at a schedule dictated by the ordering physician when the information provided by the diagnostic test is required, for example, to determine changes in hearing, to evaluate the appropriate medical or surgical treatment or *to* evaluate the results of treatment. For example, reevaluation may be appropriate, even when the evaluation was recent, in cases where the hearing loss, balance, or tinnitus may be progressive or fluctuating, the patient or caregiver complains of new symptoms, or treatment (such as medication or surgery) may have changed the patient's audiological condition with or without awareness by the patient.

Examples of appropriate reasons for ordering audiological diagnostic tests that could be covered include, but are not limited to:

- *Evaluation of suspected change in hearing, tinnitus, or balance;*

- *Evaluation of the cause of disorders of hearing, tinnitus, or balance;*

- *Determination of the effect of medication, surgery, or other treatment;*

- *Reevaluation to follow-up changes in hearing, tinnitus, or balance that may be caused by established diagnoses that place the patient at probable risk for a change in status including, but not limited to: otosclerosis, atelectatic tympanic membrane, tympanosclerosis, cholesteatoma, resolving middle ear infection, Meniére's disease, sudden idiopathic sensorineural hearing loss, autoimmune inner ear disease, acoustic neuroma, demyelinating diseases, ototoxicity secondary to medications, or genetic vascular and viral conditions;*

- *Failure of a screening test (although the screening test is not covered);*

- Diagnostic analysis of cochlear or brainstem implant and programming*; and*

- Audiol*o*g*y* diagnostic tests before and periodically after implantation of auditory prosthetic devices.

If a physician refers a beneficiary to an audiologist for testing related to signs or symptoms associated with hearing loss, balance disorder, tinnitus, ear disease, or ear injury, the audiologist's diagnostic testing services should be covered even if the only outcome is the prescription of a hearing aid.

D. Individuals Who *Furnish* Audiology Tests.

1. Qualified Professionals. See section 80.3.1 of this chapter for the qualifications of audiologists. See section 80.6 of this chapter for the qualifications of physicians and NPPs who may furnish diagnostic tests.

2. Qualified Technicians or Other Qualified Staff. References to technicians in this section include other qualified clinical staff. The qualifications for technicians vary locally and may also depend on the type of test, the patient, and the level of participation of the physician who is directly supervising the test. Therefore, an individual must meet qualifications appropriate to the service furnished as determined by the contractor to whom the claim is billed. If it is necessary to determine whether the individual who furnished the labor for appropriate audiology services is qualified, contractors may request verification of any relevant education and training that has been completed by the technician, which shall be available in the records of the clinic or facility.

Depending on the qualifications determined by the contractor, individuals who are also hearing instrument specialists, students of audiology, or other health care professionals may furnish the labor for appropriate audiology services under direct physician supervision when these services are billed by physicians or hospital outpatient departments.

E. Document*ation* for Audiology *Services*.

1. Documentation for Orders (Reasons for Tests).

The reason for the test should be documented either on the order, on the audiological evaluation report, or in the patient's medical record. (See subsection *C.* of this section *concerning reasons for tests*.)

2. Documenting skilled services. When the medical record is subject to medical review, it is necessary *that the record contains sufficient information so* that the contractor *may* determine that the service qualifies *for payment. For example, documentation should indicate that the test was ordered, that the reason for the test results in coverage, and that the test was furnished to the patient by a qualified individual.*

Records that support the appropriate provision of an audiological diagnostic test shall be made available to the contractor on request.

F. Audiological Treatment.

There is no provision in the law for Medicare to pay audiologists for therapeutic services. For example, vestibular treatment, auditory rehabilitation *treatment,* auditory processing treatment, *and canalith repositioning,* while they are *generally* within the scope of practice of audiologists, are not *those hearing and balance assessment services that are defined as audiology services in 1861(ll)(3) of the Social Security Act* and, therefore, shall not be billed by audiologists to Medicare. Services *for the purpose of* hearing aid evaluation and fitting are not covered regardless of how they are billed. Services identified as "always" therapy in Pub. 100-04, chapter 5, section 20 may not be billed *by hospitals, physicians, NPPs, or audiologists* when provided by audiologists. (See also Pub. 100-04, chapter 12, section 30.3.)

Treatment related to hearing may be covered under the speech-language pathology benefit when the services are provided by speech-language pathologists. Treatment related to balance (e.g., *services described by* "always therapy" codes 97001-97004, 97110, 97112, 97116, and 97750) may be covered under the physical therapy or occupational therapy benefit when the services are provided by therapists or their assistants, where appropriate. Covered therapy services incident to a physician's service must conform to policies in sections 60, 220, and 230 *of this chapter*. Audiological treatment provided under the benefits for physical therapy and speech-language pathology services may *also* be personally provided and billed by physicians and *NPPs* when the services are within their scope of practice and consistent with State and local laws.

For example, aural rehabilitation and signed communication training may be payable according to the benefit for speech-language pathology services or as speech-language pathology services incident to a physician's or *NPP's* service. Treatment for balance disorders may be payable according to the benefit for physical therapy services or as a

physical therapy service incident to the services of a physician or *NPP*. See the policies in *this* chapter, section*s* 220 and 230, for details.

G. Assignment.

Nonhospital entities billing for the audiologist's services may accept assignment under the usual procedure or, if not accepting assignment, may charge the patient and submit a nonassigned claim on their behalf.

H. Opt Out and Mandatory Claims Submissions.

The opt out law does not define "physician" or "practitioner" to include audiologists; therefore, they may not opt out of Medicare and provide services under private contracts. See section 40.4 of this chapter for details.

When a physician or supplier furnishes a service that is covered by Medicare, then it is subject to the mandatory claim submission provisions of section 1848(g)(4) of the Social Security Act. Therefore, if an audiologist charges or attempts to charge a beneficiary any remuneration for a service that is covered by Medicare, then the audiologist must submit a claim to Medicare.

I. Non-Audiology Services Furnished by Audiologists.

Audiologists may be qualified to furnish all or part of some diagnostic tests or treatments that are not defined as audiology services under the MPFS, such as non-auditory evoked potentials or cerumen removal. Audiologists may not bill Medicare for services that are not audiology services according to Medicare's definition (see list at: http://www.cms.gov/PhysicianFeeSched/50_Audiology.asp *). However, the labor for the Technical Component (TC) of certain other diagnostic tests or treatment services may qualify to be billed when furnished by audiologists under physician supervision when all the appropriate policies are followed.*

When furnishing services that are not on the Medicare list of audiology services, the audiologist may or may not be working within the scope of practice of an audiologist according to State law. The audiologist furnishing the service must have the qualifications that are ordinarily required of any person providing that service. Consult the following policies for details:

- *Policies for physical therapy, occupational therapy, and speech-language pathology services are in sections 220 and 230 of this chapter and in Pub. 100-04, chapter 5, sections 10 and 20.*

- *Policies for services furnished incident to physicians' services in the physician's office are in section 60 of this chapter.*

- *Policies for therapeutic services furnished incident to physicians' services in the hospital outpatient setting are in chapter 6, section 20.5, of this manual.*

- *Policies for diagnostic tests in the physician's office are in section 80 of this chapter.*

- *Policies for diagnostic tests furnished in the hospital outpatient setting are in chapter 6, section 20.4, of this manual.*

Therapeutic or treatment services that are not audiology services and are not "always" therapy (according to the policy in Pub.100-04, chapter 5, section 20) and are furnished by audiologists may be billed incident to the services of a physician when all other appropriate requirements are met.

In addition, the TC or facility services for diagnostic tests that are not audiology services may be billed by physicians or hospital outpatient departments when provided by qualified personnel (who may be audiologists), and physicians and hospital outpatient departments may bill for these diagnostic tests when provided by those qualified personnel under the specified level of physician supervision for the diagnostic test.