



NOV 7 1994

Mr. Mark Hobradschk
Reimbursement Specialist
Cochlear Corporation
Suite 200
61 Inverness Drive East
Englewood, Colorado 80112

Dear Mr. Hobradschk:

This is in response to your recent letter requesting information on Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program and how its requirements relate to the provision of Cochlear implants for children.

Although the Medicaid program is jointly funded by the State and Federal governments, it is administered by the States. Within broad Federal guidelines, States establish what services will be available and the conditions which must be met in order for items or services to be covered. Federal regulations provide for coverage of prosthetic devices which may include Cochlear implants. However, Federal regulations do not list specific prosthetic devices which are covered.

EPSDT services are available to individuals under the age of 21. Under the EPSDT program, States are required to provide all medically necessary health care, treatment and other necessary services which are coverable under Medicaid to EPSDT recipients for conditions discovered during screening services, even if the item or service is not available to the Medicaid eligible adult population. However, States are responsible for making the determination of medical necessity on a case-by-case basis. Federal Medicaid policy does not generally dictate what treatment or device should be used to correct or ameliorate a specific condition. Therefore, a State may determine that a Cochlear implant is not medically necessary for one child but may be medically necessary for another child depending on specific medical conditions and patient criteria.

We have the following responses to your specific questions. First, you ask whether States can deny to eligible EPSDT recipients the only treatment available to correct or ameliorate a hearing defect?

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As we have indicated above, States are responsible for making medical necessity determinations on a case-by-case basis. In making these determinations States would consult their medical advisors. If a State determines in consultation with its medical advisor(s), that a Cochlear implant is the only medically necessary means of treating a particular child, then the State would have to cover the implant. States cannot deny Federally coverable medically necessary treatment to an EPSDT recipient. However, a State may determine which treatment will be provided among alternative treatments.


Second, you ask if States are required to provide eligible EPSDT recipients the only treatment available "to correct or ameliorate" a hearing defect, must reimbursement by the States include all costs necessary to provide this treatment (such as therapy, rehabilitation, and repair or replacement of a prosthetic device)? In general, a State Medicaid agency is responsible for providing services which are necessary for a child to properly utilize the prosthetic device, however, there is no requirement that a cost-based reimbursement methodology be used.

As you are aware, coverage of the Cochlear implant is available under the Medicare program for children who are eligible for Medicare because they have End State Renal Disease. Medicare has a specific list of patient selection guidelines for providing the Cochlear implant to children ages 2 through 17 years of age. In the case of a child who is dually eligible for both Medicare and Medicaid, Medicare coverage is primary to Medicaid.

I hope this information is helpful.

Sincerely,



 Sally K. Richardson
Director
Medicaid Bureau