

# Healthcare *Insights*

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## DON'T WASTE RESOURCES

*Hearing Aid Claims Do Not Require Medicare Set Aside!*



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# Medicare Enrollment Form

## DON'T WASTE RESOURCES, HEARING AID CLAIMS DO NOT REQUIRE MEDICARE SET ASIDE!

From a claims professional's desk, you may not have given a Medicare Set Aside (MSA) much thought, but it's important to understand what it is and its relevance in workers' compensation claims, especially as they relate to hearing health care.

### Medicare Set Aside

First some background: Prior to 1980, once an individual was eligible to participate in Medicare, the Medicare program became the primary payer for medical treatment (with a few exceptions). Beginning in 1980, however, Medicare established a Medicare Secondary Payer (MSP) process and moved the primary responsibility for payment of medical claims to workers' compensation payers for all work-related illnesses or injuries.

Under the MSP laws, all parties involved in workers' compensation cases have an obligation to protect the Medicare trust fund, ensuring primary payers (such as workers' compensation) are not shifting any unnecessary financial burden to Medicare (a secondary payer) for any unrelated items. To that end, the Centers for Medicare and Medicaid Services (CMS) designed the Workers' Compensation Medicare Set Aside Arrangements

(WCMSA) to identify and allocate funds from the workers' compensation settlement to pay for future medical services related to the workers' compensation injury.

### CMS recommends a WCMSA submission for review when:

- The claimant is a Medicare beneficiary and the total settlement amount is greater than \$25,000, or
- The claimant has a reasonable expectation of Medicare enrollment within 30 months of the settlement date and the total anticipated expenses over the life of the agreement exceed \$250,000.

When we compare the estimated lifetime cost of hearing aids to the numbers outlined under CMS' recommendation, one might be tempted to submit a WCMSA for review. There is one major caveat, though—**Medicare does not cover the cost of hearing aids**. At this time, there is no known reason to establish a WCMSA for the lifetime cost associated with a hearing loss claim.

## Cochlear Implants and Surgical Procedures

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Medicare does cover a couple of specialized devices in certain cases, though. For example, the injured worker's hearing loss may be categorized as severe-to-profound, or they suffer from conductive hearing loss or single-sided deafness. The devices currently covered under Medicare include:

- **Cochlear Implants (CIs)**

CIs are recognized as standard treatment for severe-to-profound hearing loss, especially when limited benefit is achieved from hearing aids or other types of amplification. CIs involve a surgical procedure and lifetime of follow up supplies and professional services.

The lifetime cost of a CI, including evaluation, surgery, device, and rehabilitation, is as much as \$100,000.

- **Auditory Osseointegrated Devices (Bone Anchored Hearing Aids)**

These are surgically implanted devices that bypass the outer ear system and use bone oscillation to stimulate hearing directly to the inner ear. This FDA Type II device is often the best recommendation for injured workers with conductive hearing loss, single-sided deafness, and those with drainage from the ear canal.



### The Take Away

As the recommendations currently stand, future dollars do not need to be set aside for workers' compensation hearing loss claims when treatment consists only of hearing aids. However, the lifetime medical cost of providing hearing aids can easily exceed \$27,000, and HOMELINK's distinctive Hearing Healthcare Program will help with cost containment strategies.

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C-021618-001-000-WC