

## HAAPI Memorandum October 25, 2016

### **What happens in the case of partial coverage or deductibles?**

Indiana Code IC 16-35-8 states that a child is eligible for HAAPI only if insurance coverage is not sufficient to cover the cost of the hearing aid. **HAAPI defines “cost” as the manufacturer’s invoice cost, not the retail cost of a hearing aid.**

Currently, the statute mandates that if any insurance coverage exists, your HAAPI participating audiologist is **required to bill insurance on your behalf**. It is also true, that participating audiologists who accept payment from HAAPI are not allowed to balance bill.

Occasionally, an insurance payment is not sufficient to cover the manufacturer’s invoice cost of an approved hearing aid. In some cases, families may need to meet a deductible before insurance will pay, or they may have a patient responsibility. **If the family is unable to pay their out-of-pocket costs, such as a patient’s deductible or co-insurance, your participating audiologist may apply for HAAPI funds.** A family with partial coverage or out-of-pocket fees can complete the HAAPI application at any time and receive “provisional approval,” which should not be interpreted as approved funding. The family and audiologist will be notified if their application has been approved or denied for HAAPI funds only *after the EOB* is shared with HAAPI administrators.

Important Note: In some instances, an audiologist’s contract with an insurance company may specifically prohibit them from applying for further funding. For example, when a provider participates in Medicaid, the reimbursement rates they receive from Medicaid are payments in full and attempting to recover any additional amount from HAAPI would be considered Medicaid fraud. Therefore, children who are eligible for hearing aids under Medicaid are not approved for HAAPI funds (even when the payment from Medicaid is not sufficient to cover the full invoice cost of the device).

**HAAPI allows participating audiologists to reserve the right to refuse or accept HAAPI funds in each case.** Families who contact HAAPI will be advised to thoroughly review their specific case with their participating audiologist.

*Let’s see how this would work in a real example of partial coverage (no deductible).*

**Johny has Anthem insurance. His participating audiologist, Hearing Health, orders on Phonak Sky V aid through Hearing Health’s contract with Phonak at their own negotiated pricing, which is \$1500 for one aid. As a reminder, in cases of insurance coverage, HAAPI will not order the device, and HAAPI pricing is not available. Note: in cases of insurance coverage, there is no HAAPI coverage for the earmold.**

Hearing Health files a claim with Anthem for the aid, earmold, and fitting fee. Anthem pays \$100 for the fitting fee, \$0 for the earmold, and \$1000 for the hearing aid.

Hearing Health requests funding from HAAPI (which must include the EOB from Anthem as well the invoice from Phonak). Assuming the patient's application is complete, HAAPI will send \$0 for the earmold (not covered), \$150 for the fitting fee (max is \$250 per ear), and \$500 for the hearing aid (Phonak's invoice cost to Hearing Health was \$500 more than the payment from Anthem).

*Let's see how this would work with a deductible and partial coverage.*

Susie has Cigna insurance. Her participating audiologist, Ear Time, orders a Siemens Aquaris aid through Ear Time's contract with Siemens at their own negotiated pricing, which is \$2100 for one aid. The retail cost to Susie's family would have otherwise been: \$4200 for the Aquaris, \$250 for the fitting fee, and \$100 for the earmold.

Ear Time files a claim with Cigna for the aid, earmold, and fitting fee. Cigna's EOB states the patient's \$1,000 deductible has not yet been met. After the deductible is met, Cigna will cover 10% of the cost of the device. The earmold and fitting fee are listed as non-covered.

Ear Time requests funding from HAAPI (which must include the EOB from Cigna as well the invoice from Siemens). HAAPI will cover \$250 for the fitting fee and \$1000 to cover the remaining deductible. At this time the insurance will pay 10% of the device, which is \$420. HAAPI will contribute an additional \$250 (which brings us up to the max of \$1500 allowed under HAAPI). The audiologist may bill the patient only \$430 to get the cost of their invoice covered. In summary: \$1000 from HAAPI (deductible coverage) + \$420 (10% coverage from insurance) + \$250 (additional HAAPI support) + \$430 (patient balance) = \$2,100 (Ear Time's invoice cost.) Patient is also responsible for the earmold.

*Let's see how this would play out in a high-deductible plan.*

Sally has Aetna insurance with a high deductible (\$5,000). Her participating audiologist, AudiO, orders an Oticon aid through AudiO contract with Oticon at their own negotiated pricing, which is \$750 for one aid. The retail cost to Susie's family would have otherwise been: \$3000 for the Aquaris + \$300 for the fitting fee, and additional \$100 for the earmold.

AudiO files a claim with Aetna for the aid, earmold, and fitting fee. Aetna's EOB states they will pay \$0, as the patient's \$5,000 deductible has not yet been met. Since the deductible has not yet been met, there are no allowed amounts listed. Earmold is listed as non-covered.

**AudiO requests funding from HAAPI, and the request must include the EOB from Aetna as well the invoice from Oticon. HAAPI will send \$750 for the aid (Oticon's invoice cost) and \$250 for the fitting fee. The \$50 remaining fee for the fitting cannot be billed to the patient, per HAAPI contract. Patient is responsible for the earmold (not covered by HAAPI).**

**Due to the contractual agreement with HAAPI, AudiO is required to write-off the remainder of the patient's balance if they accept the \$750 from HAAPI.**

*Let's see how this would work in a real example of full coverage with deductible not met.*

**Emma has Blue Cross Blue Shield and the family's deductible is \$1000. After the deductible has been met, their insurance covers 100% for hearing aids and services. Her participating audiologist, SuperHEARo Inc, orders a Phonak aid through SuperHEARo Inc's contract with Phonak at their own negotiated pricing, which is \$1500. The retail cost to Emma's family would have otherwise been: \$2000 for the aid + \$300 for the fitting fee, and additional \$100 for the earmold.**

**SuperHEARo Inc files a claim with Blue Cross Blue Shield for the aid, earmold, and fitting fee. Blue Cross Blue Shield's EOB states they will pay \$1200 for the aid, \$150 for the fitting fee, and \$50 for the earmold. \$1000 is the patient's responsibility due to their deductible.**

**SuperHEARo requests funding from HAAPI, and the request must include the EOB from BCBS as well as the invoice from Phonak. HAAPI will send \$300 (to cover the difference between the insurance payment and the invoice cost of the aid) and \$100 for the fitting fee. The patient is responsible for the remaining \$50 balance on the earmold.**

**Due to the contractual agreement with HAAPI, SuperHEARo Inc is required to write-off the remainder of the patient's balance if they accept the \$400 from HAAPI.**