

Price Modeling for your Practice

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Disclosures:

- Kim Cavitt

- Jason Leyendecker – Non-financial
 - ADA Board Member
 - Minnesota Academy of Audiology Board President

- Stephanie Sjoblad – Non-financial
 - ADA Board Member

Unbundling

- Assign a fixed dollar amount to every hearing aid service.
- The variable cost will always be assigned to the hearing aid itself.
 - As one code represents various levels of technology.
- Total should equal the usual and customary price of the same make, model, and style of hearing aid with the same level of care.
 - Cannot treat managed care patients differently than you treat your general population.

Unbundling Example

- Total billed should be the usual and customary cost of the same make, model and style of hearing aid with the same level of care.
- Example of itemized billing
 - Communication and functional needs assessment (92700 or E/M, as allowed by state scope of practice) OR hearing aid examination and selection (92590/1) or Assessment for hearing aid (V5010) with date performed on claim.
 - Earmold impression (V5275), with date performed on claim.
 - Electroacoustic analysis (92594/5), if performed with date performed on claim.
 - Fitting/orientation/checking of hearing aid (V5011)
 - Dispensing fee (V5090, V5110, V5160, V5200, V5240 or V5241)
 - Conformity evaluation (V5020), if performed.
 - Earmold (V5264) or Dome/Insert (V5265), each, if separately invoiced
 - Batteries (V5266), each or battery charger (V5267), if separately invoiced.
 - Accessories (V5267)
 - Auditory rehabilitation (92630/33), if provided.
 - Hearing aids (specific code; typically V5261)

How Itemization Can Help

- Hearing aid benefit options
 - Itemization typically useful, to patient and provider, in these payment situations:
 - Allowance is dollars “towards”.
 - Fixed dollar amount benefit.
 - “Up to” benefit (allowable rate).
 - Percentage of allowable rate benefit.
 - Percentage of dollars billed.
 - Invoice plus percentage.
 - Itemization can help in many of these payment situations:
 - “Inclusiveness” of this benefit influences value of itemization.
 - “Up to”
 - Percentage of allowable rate.
 - Invoice plus.
 - Itemization not useful in this situation:
 - Percentage of dollars billed.

Third-Party Medical Policies – UHC Commercial 2022

- <https://www.uhcprovider.com/content/dam/provider/docs/public/policies/comm-medical-drug/hearing-aids-devices-including-wearable-bone-anchored-semi-implantable.pdf>
- “Standard plans include coverage for wearable Hearing Aids that are purchased as a result of a written recommendation by a Physician.
- Benefits are provided for the Hearing Aid and for charges for the associated fitting and testing. The wearable Hearing Aids benefit does not include batteries, accessories, or dispensing fees.
- If more than one type of Hearing Aid can meet the member’s functional needs, benefits are available only for the Hearing Aid that meets the minimum specifications for the member’s needs. If the member purchases a Hearing Aid that exceeds these minimum specifications, UnitedHealthcare will pay only the amount that it would have paid for the Hearing Aid that meets the minimum specifications, and the member will be responsible for paying any difference in cost”.
 - I would recommend a waiver that clearly reflects this fact.

Third-Party Medical Policies 2022 – FEHP

- <https://www.opm.gov/healthcare-insurance/healthcare/plan-information/plans/>
- FEHP hearing aid benefits are not “one size fits all”.
- Allowable rates are payer dependent.
- BCBS FEHP plan:
 - “Hearing aids for children up to age 22, limited to \$2,500 per calendar year.
 - Hearing aids for adults age 22 and over, limited to \$2,500 every 5 calendar years. Benefits for hearing aid dispensing fees, fittings, batteries, and repair services are included in the benefit limits described above.”
 - The patient is responsible for all costs which exceed \$2500.

You Can Always Rebundle

- May need to do this for plans that only recognize a limited number of line items or that have an inclusive benefit.
- Let's say the patient has a \$3000 per ear (\$6000 total) inclusive hearing aid benefit.
 - Now, you would just select hearing aids plus services and a service plan to get in under \$6000 total.
 - The less expensive the hearing aids, the longer (and more expensive) the service plan that could be 're-bundled" back into the cost of the aids.
 - Given that it is an inclusive benefit, you would bill the hearing aids (V5261) and the earmolds or domes, if required (V5264 or V5265).
 - All of the costs of the evaluation and fitting would be "re-bundled" back into the code, and cost, of the aids themselves.

Audiology Concepts

Tinnitus Clinic of Minnesota

Jason Leyendecker, Au.D.

Audiology Concepts/Tinnitus Clinic of Minnesota

- Established in 2002
 - grown to 7 locations with 12 providers and 27 staff
- Two separate clinics to establish two different pricing policies based on hearing aids vs tinnitus evaluation and treatment.
- Audiology Concepts established audiology clinic with a primary focus of hearing devices
- Tinnitus and Hyperacusis clinic of Minnesota- Primary focus is tinnitus evaluation and treatment- Minimal third-party reimbursement

Audiology Concepts Pricing models

- Clinic history
 - 2002- 2010-2017-Present
 - Bundled but itemized to optimize billing codes
 - 2016 we went to only line items of service and hearing devices
 - 2017 went back to line items for all

Cost per line item

- Determine your cost per hour
- How long does it take per time doing the specific procedure
- Averages of our fee schedules from 3rd party payers
- Must optimize your third-party fee schedules

Your fee schedule

- Cost per hour determines your costs per line item
- Write out every service you do.
 - Office visit
 - Programing
 - Electroacoustic analysis
 - Demos

Line items we use

Service	Dispensing Fee - Binaural	1	V5160
Service	92591 - Hearing Aid Examination & Selection - Binaural	1	92591
Service	Care & Maintenance/Fitting & Orientation	1	V5011
Service	Verification/RealEar	1	V5020
Service	92595 - Electroacoustic Evaluation For Hearing Aid; Binaural	1	92595

Comprehensive care plan vs unbundled care plan

Pros for Comprehensive

- Increased upfront cashflow
- Patients generally feel more comfortable with the long-term plan knowing it is already all included.
- Patient more likely to come in for proactive care which provides more success for the patient

Pros for Unbundled

- Lower up-front cost to the patient
- Patient takes more ownership of smaller problems
- Great for snowbirds or early adopters to get more value

Comprehensive Care plan vs Unbundled care plan

Cons for Comprehensive care plan

- Patients feel like they get everything for free after the initial charge
- Patient does not return for services (Feels like they over paid)
- Puts more emphasis on the device and less on the provider

Cons for Unbundled care plan

- Patients forget they went unbundled and aren't prepared to pay or don't want to pay
- Providers forget to charge
- They don't like that prices may have gone up from previous visit

Congratulations on your commitment to better hearing and treatment through the Audiology Concepts Comprehensive Care Plan. Your hearing devices are only one part of your relationship with Audiology Concepts. Below you will find the specialized services that are included for the life of your hearing devices.

For optimal performance of your devices, we recommend regular follow-up care and maintenance every 6 to 8 months. We will be happy to remind you to schedule these visits if you choose.

Initial Fitting:

- Prescription verification (Verifit/MedRx/Real-Ear) to achieve your hearing prescription and verify that your devices are programmed specifically for your needs
- Hearing aid programming
- Feedback test (as needed)
- Fitting and orientation of devices
- Care and maintenance (showing you how they work and how to take care of them)
- 45 day adaptation period

Follow-up Care and Office Visits:

- Office visit, includes: (\$60 value each)
 - Performance check every 6-8 months or as needed (a deep cleaning by a provider, replacement of domes, wax guards, tubing, etc.)
 - Electroacoustic evaluation of device performance
 - Counseling and pairing of Bluetooth/phone connections between hearing devices and smart phones
 - Assistive Listening Device (ALD) and accessory consultations
 - Telehealth calls
 - Other consultations
- Reprogramming of hearing devices (\$200 value)
- Remote programming, when applicable (\$200 value)
- In warranty manufacturer repairs (\$150 value)
- Verification (Verifit/MedRx/Real-Ear) of devices to ensure they are programmed to prescription (\$100 value)

Supplies Covered:

- Batteries (\$10.00/package)
- Wax guards (\$10.00/package)
- Domes (\$10.00/package)

Services/Supplies Not Included:

- Cerumen (ear wax) removal (\$50/ear)
- Earmolds (\$97.50-200/ear)
- Device dehumidifier/dryer (\$25-\$140)
- Out of warranty repairs (\$150-\$625/device)
- Postage, shipping, and handling (\$7-\$12)
- Hearing evaluation (\$95-\$250 – billed to insurance, possible co-pay)

Costs for these services are based on current pricing and are subject to change. Payment will be due at time of service.

Signing this document indicates your hearing care provider has gone over all services and fees.

Tinnitus and Hyperacusis Clinic of Minnesota

- Private pay model
- Tinnitus assessment and consultation fee
 - 2.5 hour initial assessment
 - 20 minutes of testing
 - Counseling and demo of technologies
 - 60 minutes of reports and follow up

Treatment costs

- Per visit charge. Hourly costs
- Treatment plan built into the costs of the devices used

Statistics of this model

- There are more than one way to charge your patients but the most important thing to remember is you must show your value
- 70% bundled/comprehensive care plan 2022
- 66% bundled in 2021
- Each provider is different
 - 47%-90% bundled

UNC Hearing & Communication Center

Stephanie Sjoblad, Au.D.
Clinic Director

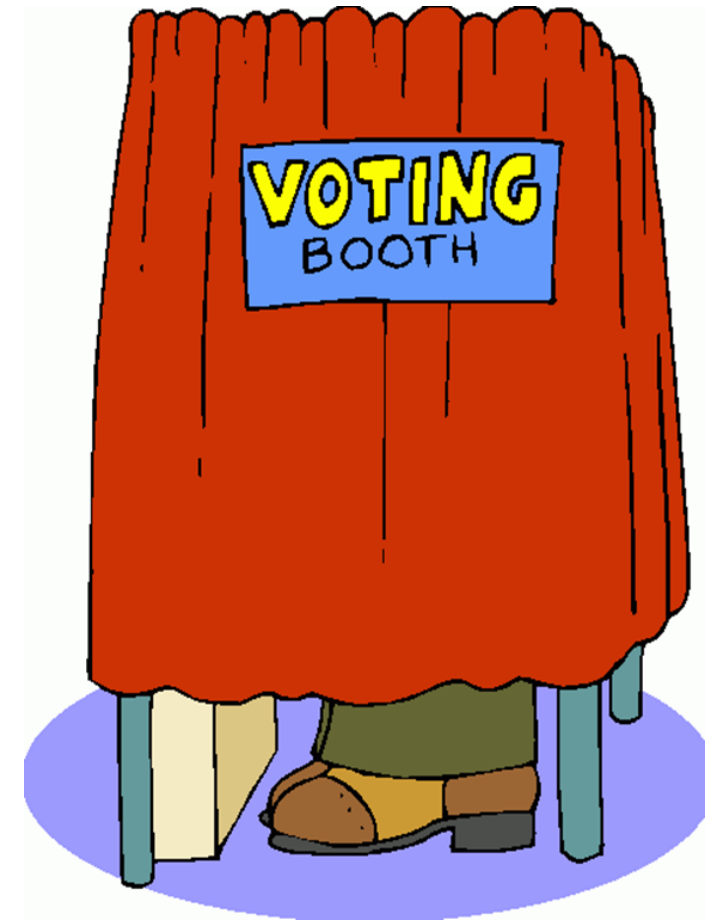
2004 - Moved from campus clinic to community



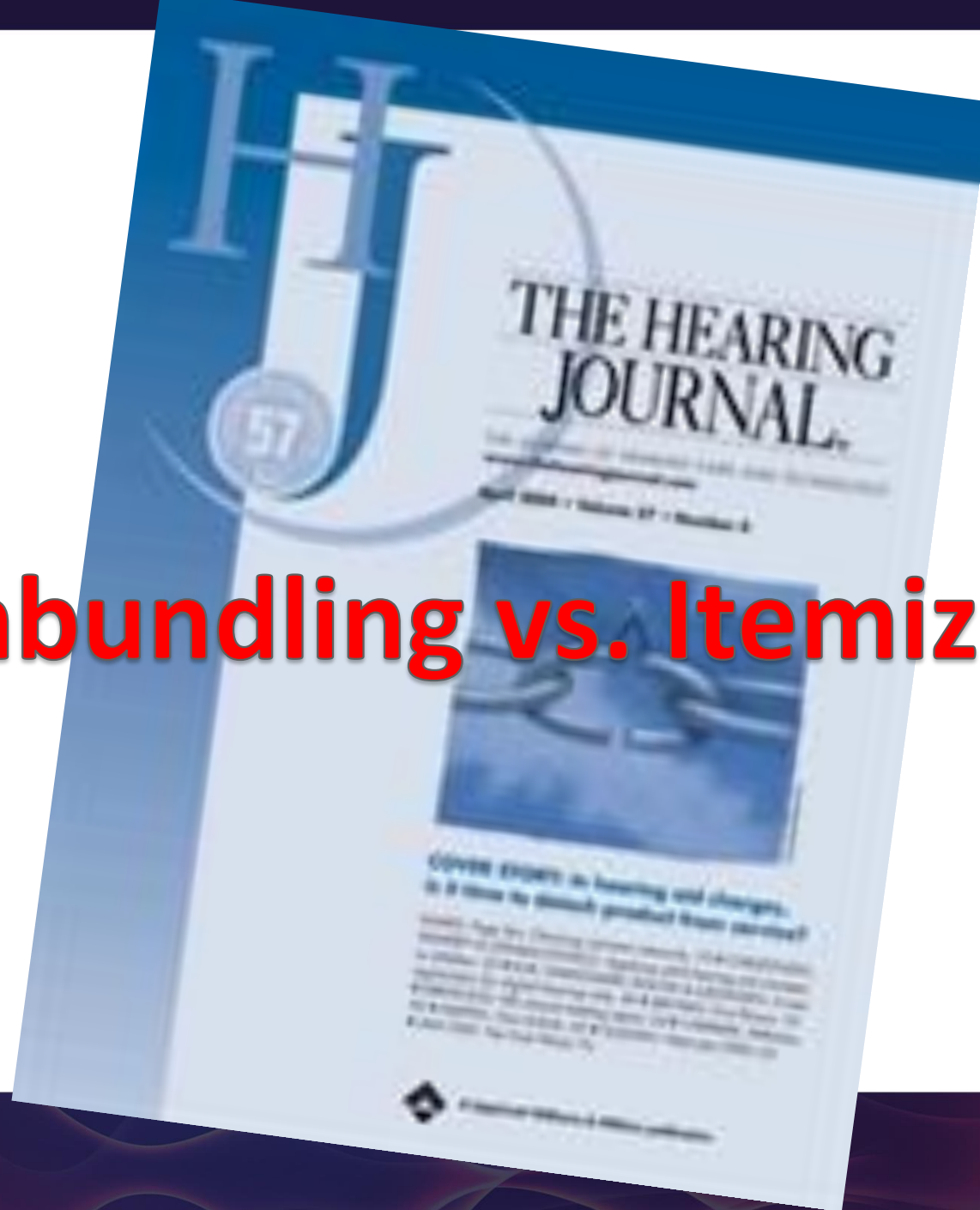
- Grand Opening May 2004
- No state funding
- Clinical revenues support operations, including faculty clinicians and staff
- 2005 - moved to Unbundled model
- 2010 – calculated our true breakeven rate, changed to a more transparent model of hearing aid pricing

I'm curious...do you currently itemize fees for your hearing aid services?

- A. Yes
- B. No
- C. I don't know how
- D. I don't like change

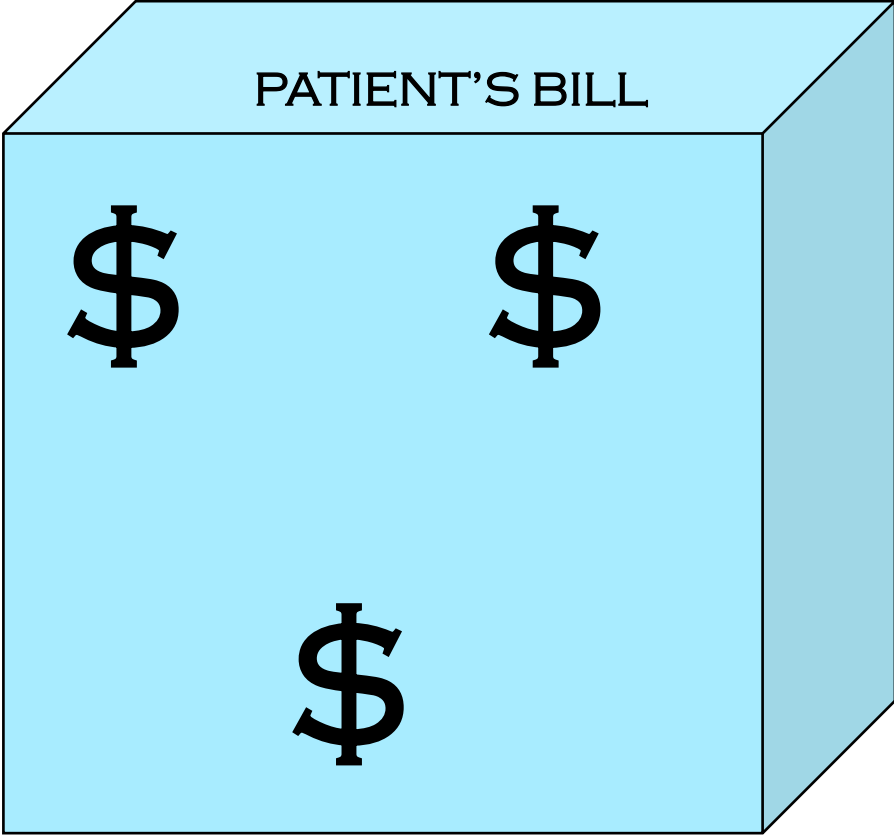
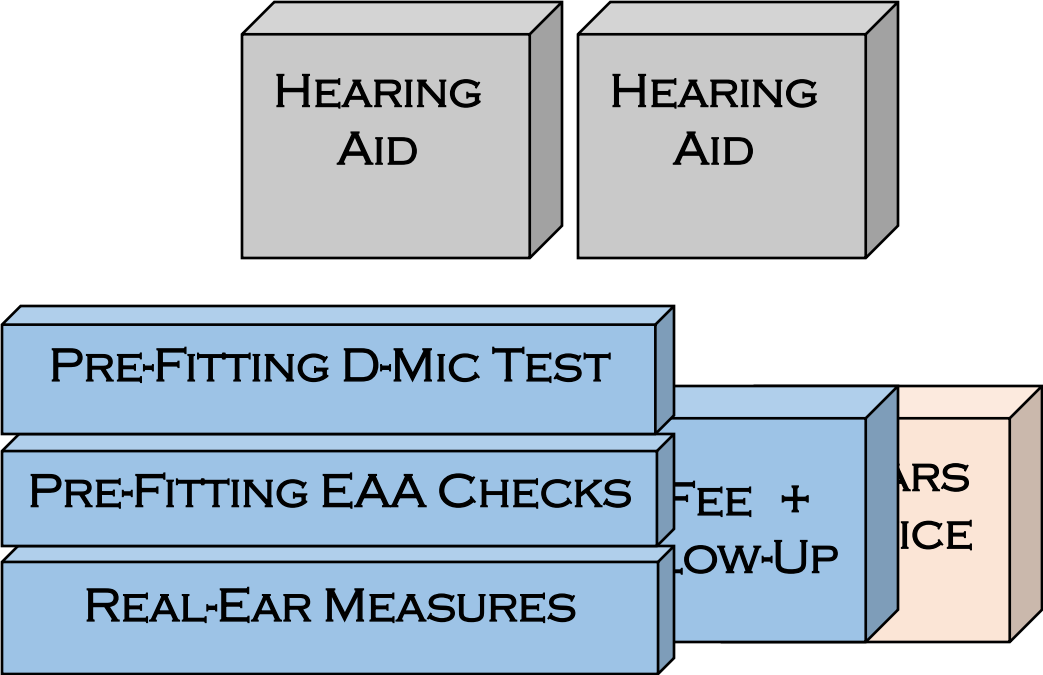


Unbundling vs. Itemizing



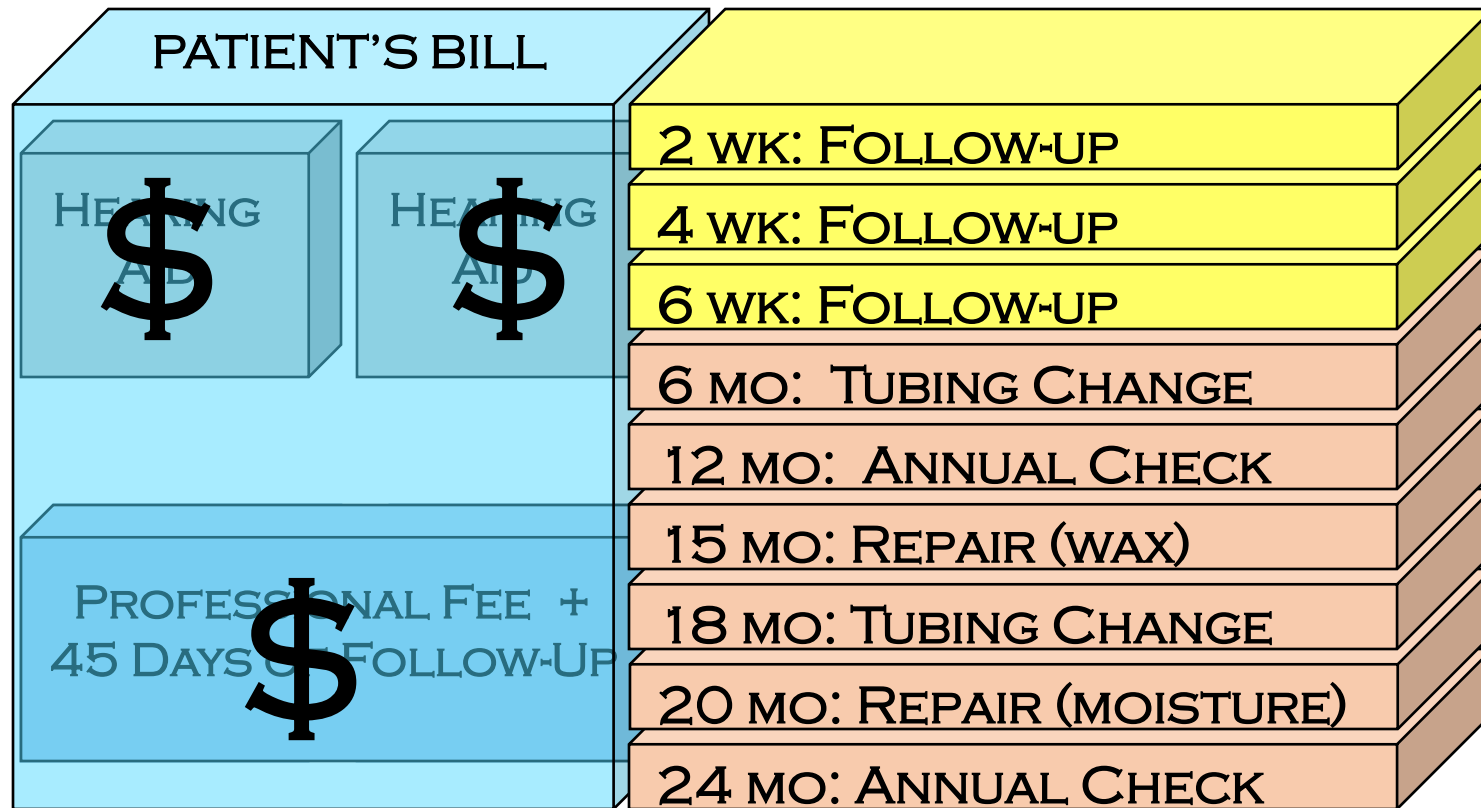
UNC-HCC [Partially] Itemized Billing

Breaking up prices completely, after the **EVALUATION AND ADJUSTMENT** period.



UNC-HCC [Partially] Itemized

Breaking up prices completely,
after the evaluation and adjustment period.



What we have been teaching our students for years

- Every patient is an opportunity
- Learn how to program multiple manufacturers
- Improve what they have
 - What services can you provide or **not** provide – is the device locked?
- Expand your offerings
- Educate and counsel the patient
- Make a positive impression for when the patient seeks future services

BLESSED
are the
FLEXIBLE
FOR THEY SHALL
NOT BE
BENT OUT OF
SHAPE

AND...to look to the evidence and not get locked into doing things one way because that it's how you have always done it

Comprehensive Hearing Evaluations

Functional Communication Assessment/Hearing Aid Selection

Hearing Aid Fitting

- Two week Follow-up
- May include:
 - 4week follow-up
 - 6 week follow-up

Six Month HA Check

Better Hearing Workshops and Counseling

Annual Hearing Evaluation as needed and Hearing Aid Check

Consults, Walk-ins



Our front desk team verifies insurance coverage prior to the Hearing Aid Evaluation Appointment

(Almost) All patients pay when they check out

- Use a waiver when allowed so patients can upgrade technology and pay out of pocket – no surprises, it's clear what they owe up front.
- Important to know what the policy covers

Not all policies are in our best interest or in the best interest of our profession

- We only accept coverage that is good for our practice.

Option 1: The Demo

- Choose your preferred hearing aid manufacturer
 - models in the backroom already
- Show examples of your preferred model
 - In 2011 - 60% of practices DEMO how great it can sound
how will this work in OTC world?
- Show the patient style options...and help them pick one
- How is this different than what the BIG Box or online provider does? It's all about the DEVICE.



Option 2: Hearing Aid Evaluation (92590/92591)

Functional Communication Assessment

Demonstrates your knowledge/skills

- Characteristics of Amplification Tool (COAT)
(APHAB, ECHO, etc)
- Quick SIN
- Loudness Discomfort Measures (LDL)
- Acceptable Noise Level (ANL) as needed
- Cochlear dead region testing (TEN-HL) as needed
- Lifestyle Assessment
- Client Oriented Scale of Improvement → **ESTABLISH GOALS**
- HA and technology selection → **TREATMENT PLAN**
- Earmold Impression(s) → collect payment prior to order
 - Impression(s) V5275 each and Earmold(s) V5264 each



<http://http://www.scottkpowers.com/2013/05/putting-pieces-together.html>

Lifestyle Assessment

- Opportunity to really know the patient AND counsel them
- Gain understanding of all their communication difficulties
- Enables us to look beyond just the widget in the recommendation



UNC Hearing & Communication Center
6015 Farrington Road, #103, Chapel Hill 27517

LIFESTYLE ASSESSMENT

Patient Name: _____ Date: _____

Home Communication				Telephone Use			
Lives in own home: with family _____ alone _____				Landline: Yes No			
Plans to move (retirement community): Yes No				Cell Phone: Yes No			
Lives in retirement community: with family alone				Bluetooth: Yes No			
CM	GR	CW	Cedars	Speaker Phone: Yes No			
				Amplified Phone: Yes No			

Employment Communication				Dexterity		Visual Acuity	
Occupation: _____				Good	Good		
Phone use: Yes No				Fair	Fair		
Conferences/meeting: Yes No				Poor	Poor		
Travel: Yes No							

Hobbies				Special Interest			
_____				Waterproof: Yes No			
_____				Rechargeable: Yes No			
_____				Cosmetic Concern: Yes No			

Regular Activities	Occurance	Importance	Hearing Aids Recommended
Group Meetings:			Yes No
Outdoor Activities:			Yes No
Volunteering:			Yes No
Social events:			Yes No
TV:			Color: _____
Movies:			Receiver Size: _____
Theater:			Accessories: _____
Lectures:			
Religious Services:			
Restaurant dining:			
Concerts:			
Computer use:			
Exercise (alone/group)			
Other:			

QuickSIN:				
LDL:				
Notes:				

Communication Goals				
Area of Improvement:	Present Ability:	Desired Ability:	Realistic Goal:	Final Ability:
1				
2				
3				

SAMPLE

TREATMENT Recommendation

Details all the services that are provided in the non-refundable professional fee.

We now offer multiple fitting tiers

- Standard - 6 weeks of follow up
- Experienced User - 4 weeks f/u
- Basic - 2 weeks of f/u
- Value fitting 1 follow up with 4th year extern

UNC SCHOOL OF MEDICINE
Hearing and Communication Center
6015 Farrington Road, Suite 103 | Chapel Hill, NC 27517-8822
Call for service: (919) 493-7980

Date: _____

Patient: _____ Audiologist: _____

Manufacturer: _____ Warranty: _____ years Color: _____

Model: _____ \$ _____ per device

Non-refundable Professional Services Fee (see below) \$ _____

Impressions and/or earmolds: _____ \$ _____

*(Non-refundable, payable on date of _____)

Assistive Device/Accessory Professional Services Fee: \$ _____

Assistive Device/Accessory Professional Services Fee: \$ _____

Non-refundable Assistive Device/Accessory Professional Services Fee: \$ _____

Hearing Aid Sub-Total: \$ _____

*** This treatment recommendation is valid for 30 days from the date listed above

What Services Do I Receive at this UNC Audiology Faculty Practice?
Nationally Recognized Hearing Care, Ranked #1 by USNEWS WORLD REPORT Audiology Training Program

Quality Control

- Hearing aids are acoustically tested in a specialized chamber to ensure proper functioning
- Hearing aids' advanced features verified to be in perfect working order
- Hearing devices have to pass visual and critical listening inspection

Personalized Fitting and Tuning

- Real Ear Measurement test ensures the aids are providing the best amplification for your hearing
- Fine tuning and programming to your specific hearing needs
- Assistive devices (if purchased) matched with your hearing aids and tailored to your needs
- Research-based recommendations

After Care

- Complete orientation to your new hearing aids
- Communication enhancement counseling, both individually and in informative group workshop
- 30 Day evaluation (return period)
- Includes 45 Days of aftercare support and follow up appointments

Hearing Aid Quality Assurance

Before fittings, after repairs and as needed:

- Electroacoustic Analysis (EAA)
- Directional Microphone (DM) test
- Distortion Test
- Hearing aid check
 - Visual inspection and listening check



A valuable service!

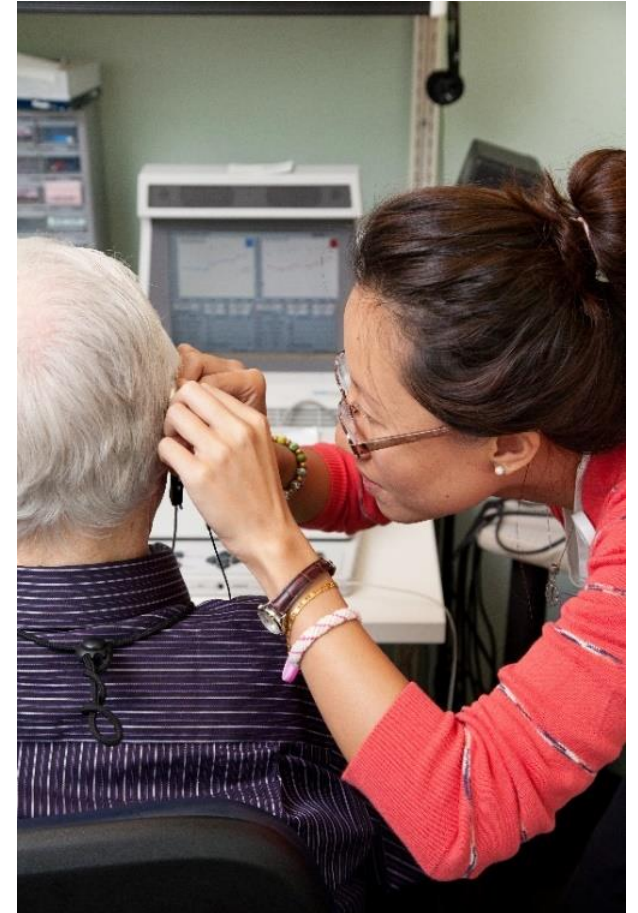
Hearing Aid Fitting

Day of fitting (prior to appointment)

- Pull up patient in Noah
- Transfer audiogram/LDLs to Verifit 2

Day of fitting (with patient)

- Seat patient in front of verification equipment
- Otoscopic inspection
- Check physical fit of HA(s) and/or earmolds
- **Run REM**
 - 55dB, 65 dB, and MPO
 - Verify audibility of /s/ and /sh/
 - Program hearing aids
- Orientation
- Collect payment for HAs and professional services



Hearing Aid Fitting (codes we may utilize – depends on payor)

Receive HA from Manufacturer

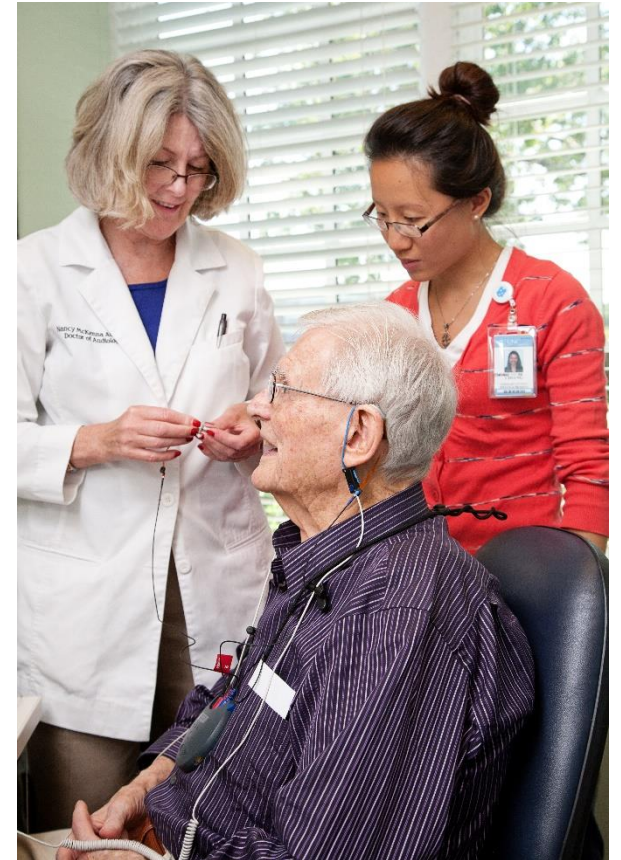
- Visual inspection and listening check (92592/3)
- Quality Assurance (V5011)
 - EAA, DM, HAC

Day of Fitting

- Office Visit (V5299)
- Conformity Evaluation (V5020)
 - Probe Microphone Measures
 - Functional Gain
 - Validation
- Hearing Aid Programming (V5014)
- Orientation (V5011)
 - Care, maintenance, use
- Dispensing Fee binaural (V5160)
- Hearing Aid – digital BTE binaural (V5261)

Hearing aid fitting follow-up

- Appointments included for 45 days
 - Recommend: 2 week and 4 week (six week as needed, depending on tier)



Terms on the Purchase Agreement

Financial Responsibility: Repairs- This clinic operates in a fee-for-service capacity in order to keep technology prices transparent and as low as possible. Appointments for regular maintenance or troubleshooting that occur outside of the 45-day professional services period will incur routine clinical charges. When a device malfunctions and cannot be repaired in-house, it will be sent to the manufacturer for an in- or out-of warranty repair. Routine clinical charges related to quality assurance, reprogramming and processing are incurred by the patient for every repair, regardless of warranty status. Out-of-warranty repairs incur an additional charge from the manufacturer for services rendered. Consent for repair will be obtained.

Final Fit Follow up – Did we meet the patient's goals?

Communication Goals	Present Ability	Desired Ability	Realistic Ability	Final Ability
Hearing better on the telephone	5	10	9	9
Hearing his son from across the room	4	10	8 or 9	9
Hearing in social gatherings	4	10	8	8

Set patients up for future Hearing Aid Check

Six Months:

- Office visit (V5299)
- HAC (92592/3)
 - Visual and listening inspection
- Hearing aid repair, in house (V5014)
 - per ear – small parts replacement

Annual:

- Office visit (V5299)
- HAC (92592/3)
 - Visual and listening inspection
- Hearing aid repair, in house (V5014)
 - per ear – small parts replacement
- EAA (92594/5)



EXPANDING SERVICES

2013 Service Plan Options

Fee for Service

Service	Fee
6 month check	\$
Annual check with EAA	\$
Repair of each hearing aid	\$

Average total for one year of services following a fee for service model: \$ - \$

SERVICE PLAN OPTIONS

Option A: 2-year service plan

Services Included
6 month checks
Annual checks with EAA
Repairs of each hearing aid
Batteries
Small parts (domes, wax traps, tubing)
Reprogramming when there are changes to acoustic coupling or a decline in hearing thresholds
Programming adjustments (adding/deleting programs, changing on ear controls, etc.)

2-year package: \$

Option B: 3-year service plan

Services Included
6 month checks
Annual checks with EAA
Repairs of each hearing aid
Batteries
Small parts (domes, wax traps, tubing)
Reprogramming when there are changes to acoustic coupling or a decline in hearing thresholds
Programming adjustments (adding/deleting programs, changing on ear controls, etc.)

3 year package: \$

Short-lived

Service Plans may be initiated after the 30 day trial and evaluation period. Service plans can be purchased at a later date; however, the service plan will not extend beyond manufacturer's warranty. Patients will not be reimbursed for payments made for services rendered. Service plans are non-refundable. Pro-rated plans are not available. EXCLUSIONS include, but are not limited to: ear molds, dry bricks, Miracel, lubricants, wax removal and dehumidifiers. An appointment is required for service.

2014 - Open House/Listening Lab

- By appointment
- 1 hour – gratis appointment
- 4 times a year (we feature different manufacturers)
- Good for those who are on the fence about getting started or upgrading
- Abbreviated fitting procedure
 - **(but still with real-ear!)**
- Great way to get familiar with new technology
- Many of these patients go on to schedule a Functional Communication Assessment

Demonstrations (very rare)

- Patient takes hearing aids home for a short period of time (1-2 weeks)
- Our time and services are never free!
 - Bill for the services rendered
 - (programming, real-ear measures)

How we are growing

- 2015 – Tinnitus Evaluations (and now we have two tinnitus specialists)
- 2017 – Vestibular Assessment
- 2018 - Added an Audiologist's Assistant to our team
- 2019 – Satellite clinic (2 days a week) – space use in a rural community
- 2020 – Moved to monthly “Virtual” Better Hearing Workshops
- 2022 – 2nd Satellite location (1 day a week) – space use in a Senior Center
- For over 20 years also providing School Screenings, OSHA Screenings, Cerumen Removal Services, Musician's Ear Plugs and more

Always - Committed to utilizing Evidence-Based Practice -

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