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September 10, 1992

Brian W. Moore, Commissioner
Alabama Medicaid Agency
2500 **Fairlane** Drive
Montgomery, Alabama 36130

Dear Mr. Moore:

This is to respond to your letter dated August 10, 1992, in which **you** asked for clarification of the Health Care Financing Administration's provisional requirements regarding communicative devices and tactile aids. The following are our answers to your questions.

1. Are communicative devices considered as medical care or educational/vocational services?

We believe there may be circumstances when communicative devices may be medically necessary for eligible individuals under the Early **and** Periodic Screening, Diagnosis and Treatment (EPSDT) Program. The State may determine, within the existing regulatory framework, what medical equipment may be covered under its program. However, the **OBRA** 1989 statutory changes require States to provide EPSDT recipients with all medically necessary services coverable under Medicaid, whether or not such services are covered under the State plan. Therefore, with respect to the provision of communicative devices for an EPSDT recipient, we believe the State agency must determine on an individual basis whether particular items and services are medically necessary. This is also true in any case where the item or service is questionable or otherwise not provided under the **State's** Medicaid program.

2. Is Federal financial participation (FPP) available for Alabama Medicaid coverage of augmentative communication devices if they are used for educational/vocational use?

As long as the State Agency has determined that the communication devices are medically necessary for a particular individual, FPP is available, even if the augmentative communication devices are used for educational or vocational purposes.

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3. Are tactile aids to improve a person's ability to hear considered **as** medically necessary for coverage under state Medicaid programs?

The EPSDT provisions of OBRA 89 require that all medically necessary diagnostic and treatment services within the scope of Section 1905(a) of the Act must be available to ameliorate health problems found in EPSDT screenings, even if the services are not otherwise covered under a State plan. OBRA 89 did not, however, alter the State's flexibility in determining medical necessity. Therefore, with respect to the provision of specific medical equipment or supplies for an EPSDT recipient, a State must determine whether those items or services are medically necessary in those cases where the item or service is questionable. Furthermore, for services not covered in a State plan, a State must determine whether the item or service is within the scope of Section 1905 (a) and, if so, decide the appropriate service category.

4. Is FFP available for Alabama Medicaid coverage of tactile **aids**?

As stated above, FFP is available for medically necessary covered services, equipment and supplies furnished to EPSDT recipients.

5. If these devices are considered as medical and not education/vocational, what is the classification for computers that allow home bound patients to produce written correspondence?

The State agency has the flexibility to **decide the appropriate service category for devices considered as medically necessary** and covered under Medicaid because, often, more than one category could be used. Possible categories that could be used to cover computers include the following:

- a. Services for individuals with speech, hearing, and language disorders (42 CFR **440.110(c)**)
- b. Prosthetic devices (42 CFR **440.120(c)**)
- c. Rehabilitative services (42 CFR 440.130(d))
- d. Outpatient hospital/rural health (42 CFR 440.20)

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e. Clinic Services (42 CFR 440.90)

f. Federally Qualified Health Centers (Medicaid regulations not published yet).

The choice of which category(ies) to use should be made on the basis of what types of providers are available in the State and the particular requirements of the various categories.

If additional assistance is needed concerning this matter, please contact either me or Andriette Johnson at (404) 331-5888.

Sincerely,

William R. Lyons
Associate Regional Administrator
Division of Medicaid

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JAB for W 9/18/92