

## Speech Generating Devices (SGD)

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This section contains information about Speech Generating Devices (SGD) and services.

### SPEECH GENERATING DEVICES (SGD)

#### Definition

A Speech Generating Device (SGD) is an electronic or non-electronic aid or system which accommodates an expressive communication disability that precludes purposeful functional communication medically necessary to accomplish Activities of Daily Living (ADL).

The procedure codes and reimbursement amounts for the codes with assigned prices on file can be found in the *Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates* section of the Part 2 manual.

#### Treatment Authorization Requests (TARs)

*Treatment Authorization Requests (TARs)* for SGD-related items/services for Medi-Cal-only recipients must be submitted to the San Francisco Medi-Cal Field Office. See the *TAR Field Office Addresses* section in this manual for details.

Authorization must be obtained for purchase or rental of an SGD (HCPCS codes E1902, E2500 – E2510) and accessories (HCPCS codes E2511 – E2599).

**Note:** Per Title 22, *California Code of Regulations (CCR)*, Section 51321(g): Authorization for Durable Medical Equipment shall be limited to the lowest cost item that meets a patient's medical needs.

#### Purchases or Rentals

Rental of an SGD is allowed only if the recipient's SGD is being repaired, modified, or if the recipient is undergoing a limited trial period to determine appropriateness and ability to use the SGD.

HCPCS codes E1902, E2511, E2512 and E2599 must be billed "By Report" and a copy of the relevant page(s) of the manufacturer's catalog must be attached.

Authorization for HCPCS codes E1902 and E2500 – E2599 requires all of the following documentation.

- Recipient Assessment:
  - Medical diagnoses and significant medical history
  - Visual, hearing, tactile and receptive communication impairments or disabilities, and their impact on the recipient's expressive communication, including speech and language skills and prognosis
  - Current communication abilities, behaviors and skills, and the limitations that interfere with meaningful participation in current and projected daily activities
  - Motor status, optimal positioning, and access methods and options, if any, for integration of mobility with the SGD(s)
  - Current communication needs and projected communication needs within the next two years
  - Communication partners and tasks, including any limitations in partner's communication abilities
  - Communication environments and constraints that impact SGD selection and features
  - Any previous treatments of communication problems, responses to treatment, and any previous use of communication devices
- Summary of Requested SGD(s):
  - Vocabulary requirements
  - Representational systems
  - Display organization and features
  - Rate enhancement techniques
  - Message characteristics, speech synthesis, printed output, display characteristics, feedback, auditory visual output, programmability, input modes and their appropriateness for use by the specific recipient
  - Access techniques and strategies
  - Portability and durability, and adaptability to meet anticipated needs
  - Identity, significant characteristics and features
  - Manufacturer's catalog pages, including cost
  - Any trial period when the recipient used the recommended device(s) in an appropriate home and community-based setting that demonstrated the recipient is able and willing to use the device effectively

- An explanation of why the requested device(s) and services are the most effective and least costly alternative available to treat the recipient’s communication limitations
- Whether rental or purchase of the device is the most cost-effective option
- Vendors
- Warranty and maintenance provisions available for the device(s) and services, if any
- Treatment Plan:
  - The expected amount of time the device will be needed, and the amount, duration and scope of any related services requested to enable the recipient to effectively use the device to meet basic communication needs
  - Short-term communication goals
  - Long-term communication goals
  - Criteria to be used to measure the recipient’s progress toward meeting both short-term and long-term goals
  - Identification of the services and providers (and their expertise and experience in rendering these services)

Accessories

If the reimbursement rate for HCPCS codes E2511 – E2599 (SGD accessories) is not approved on the TAR, the claim must be billed “By Report.” If billed “By Report,” a copy of the relevant page(s) of the manufacturer’s catalog must be attached.

Repair

SGD repair claims must be billed with HCPCS codes E2500 – E2599 and repair modifier RB. All the following information must be attached to the TAR:

- The reason or justification for the repair service to be provided for patient-owned equipment
- The labor time involved to repair the equipment in 15-minute units (HCPCS code K0739 without a modifier)
- The manufacturer’s name and catalog number for part(s) to be used

## Modification or Replacement

TARs for SGD modification or replacement must be accompanied by a completed SGD Recipient Assessment and Treatment Plan and must include justification for modification or replacement. The following reasons constitute justification for modification or repair:

A significant change has occurred in the recipient's current device(s).

- The recipient's services are no longer the least costly to treat the communication limitations.
- A significant technological change in the characteristics, features, or abilities of available SGD(s) may measurably reduce the recipient's communication limitations with the proposed modification or replacement.

## Reimbursement

### Maximum Allowable Amounts

For information regarding the maximum allowable SGD billing amounts, refer to "Net Purchase Price" in the Durable Medical Equipment (DME): An Overview section.

### Listed Codes

In compliance with *Welfare and Institutions Code (W&I Code)*, Section 14105.48, claims for speech generating devices billed with listed codes are reimbursed at the lesser of:

- The amount billed pursuant to *California Code of Regulations (CCR)*, Title 22, Section 51008.1; or
- An amount that does not exceed 100 percent of the lowest maximum allowance for California established by the federal Medicare program for the same or similar item; or
- A contracted rate.

### "By Report" Codes

In compliance with *Welfare and Institutions Code (W&I Code)*, Section 14105.48, reimbursement for SGD using codes with no specific maximum allowable rate ("By Report") are reimbursed the least of the following:

- The amount billed pursuant to CCR, Title 22, Section 51008.1
- 100 percent of the manufacturer's suggested retail price (MSRP). For dates of service on or after September 1, 2006, MSRP must be an amount that was published by the manufacturer prior to June 1, 2006. If the item was not available prior to June 1, 2006, attach a manufacturer's purchase invoice and the catalog page that initially published the item and the MSRP, and complete the *Reserved for Local Use* field (Box 19) with the date of availability. For dates of service prior to September 1, 2006, MSRP must be published prior to August 1, 2003.
- The manufacturer's purchase invoice (cost) amount, plus a 67 percent markup.

Documentation Requirements	<p>Claim submissions for unlisted SGD with no specified maximum allowable rate (“By Report”) require the following information:</p> <ul style="list-style-type: none"><li>• For dates of service on or after September 1, 2006, the manufacturer’s purchase <u>invoice</u> <b>and</b> the MSRP (a <u>catalog page</u>) published prior to June 1, 2006</li><li>• For dates of service prior to September 1, 2006, MSRP must be published prior to August 1, 2003. (If the item was not available prior to June 1, 2006, attach a manufacturer’s purchase invoice and the catalog page that initially published the item and the MSRP, and complete the <i>Reserved for Local Use</i> field [Box 19] with the date of availability.)</li><li>• Item description</li><li>• Manufacturer name</li><li>• Model number</li><li>• Catalog number</li><li>• Reason a listed code was not used</li></ul> <p>Providers who are also manufacturers of SGD items need only submit the MSRP with claims for items they manufacture. Refer to “Documentation Requirements for Provider/Manufacturer” in the <i>Durable Medical Equipment: An Overview</i> section for information.</p>
MSRP Documentation	<p>The only acceptable MSRP documentation is a hard copy catalog page or a hard copy of an electronic catalog page as follows:</p> <ul style="list-style-type: none"><li>• For dates of service <u>on or after September 1, 2006</u>, the manufacturer’s price list and/or order form dated prior to June 1, 2006. For dates of service <u>prior to September 1, 2006</u>, the manufacturer’s price list and/or order form dated prior to August 1, 2003.</li><li>• The applicable publish date for the manufacturer’s catalog page that includes a description of the item, the manufacturer’s name, the model number or catalog number of the item (if available) and the MSRP.</li></ul> <p>When billing items that were not available prior to June 1, 2006 (or August 1, 2003), providers must include the following on or with the claim:</p> <ul style="list-style-type: none"><li>• Date of availability in the <i>Reserved for Local Use</i> field (Box 19) of the <i>CMS-1500</i> claim</li><li>• Manufacturer’s price list and/or order form or catalog page that initially published the item</li><li>• MSRP</li></ul>
Claim Denials	<p>Claims that do not include <u>all</u> of the required documentation will be denied.</p>

## SPEECH GENERATING DEVICE (SGD) SERVICES

### Bundled Therapy Services and Recipient Assessments

SGD-related services are billed with HCPCS codes X4310 (SGD-related bundled speech therapy services, per visit) and X4312 (SGD recipient assessment). These services are reimbursable to California or border community licensed speech pathologists. HCPCS codes X4310 and X4312 require a *Treatment Authorization Request* (TAR), which includes a copy of the prescription from the physician attached to the TAR. Billing for HCPCS X4312 is "By Report."

HCPCS code X4310 is reimbursable for up to eight visits within any contiguous 12-week period for the same recipient. Dates of the speech therapy visits must be indicated on the claim.

**Note:** HCPCS code X4310 is not reimbursable for recipients younger than 21 years of age. Speech therapy services for recipients younger than 21 years of age are available through Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Supplemental Services, subject to prior authorization, where medically necessary.

HCPCS codes X4300 – X4308 and X4320 are not reimbursable when billed for the same recipient and the same 12-week period covered by HCPCS code X4310.

Speech pathology providers may bill HCPCS code X4312 as a medically necessary service when the recipient has physical limitations that may impact the recipient's ability to use an SGD.

HCPCS code X4312 is reimbursed at the rate on the approved TAR or according to Medi-Cal "By Report" pricing if no rate is negotiated and approved on the TAR. HCPCS code X4312 is not reimbursable on the same date of service with CPT-4 code 92597 (evaluation for the use and/or fitting of voice prosthetic device to supplement oral speech).

**Physical Therapy  
Assessment Services**

SGD physical therapy assessment services are billed “By Report” with HCPCS code X3936 (unlisted service). Prior authorization is required.

**Occupational Therapy  
Assessment Services**

SGD occupational therapy assessment services are billed “By Report” with HCPCS code X4118 (unlisted service). Prior authorization is only required for services provided in a long term care facility or rehabilitation center.