



DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
700 GOVERNORS DRIVE
PIERRE, SD 57501-2291
PHONE: 605-773-3495
FAX: 605-773-5246
EMAIL: Medical@state.sd.us
WEB: dss.sd.gov

ATTENTION: Speech Therapists

Re: Medicaid Payment Methodology

Dear Medicaid Provider:

This letter is regarding the discovery of a billing error related to speech therapy service codes 92507 and 92508.

According to Current Procedural Terminology (CPT), the official coding book of the American Medical Association and Medicare, the above-listed speech therapy codes are to be billed by independent speech pathologists, per encounter. South Dakota Medicaid, in accordance with CPT, had set the reimburse rate for the individual speech therapy service to allow an appropriate payment per encounter, as was done for the evaluation code 92506.

Recent claims data indicates these services are being billed in 15-minute increments, resulting in inflated reimbursement amounts based on the units billed, and SD Medicaid's fee schedule. To correct this error and allow speech pathologists to continue billing for speech therapy services in 15-minute units, the applicable rates have been adjusted to reflect the per visit rate, for therapy services ONLY. This does not apply to the evaluation code which remains a per session rate.

Effective with dates of service January 1, 2007 all approved claims billed for the applicable speech therapy codes will adjudicate utilizing the corrected rate established for 15-minute units. Speech evaluation code 92506 must be billed one unit per day. If span-date billing, the provider must note on the claim in writing the number of days medically necessary speech evaluations were provided.

It is also imperative that the therapy services being provided are not a part of the child's Individual Education Plan (IEP), in which case the school district is responsible for billing.

If you have any questions or concerns regarding this letter, please feel free to contact our office at the address or telephone number listed above. You may also contact our Telephone Service Unit at 605-773-3495.