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NC Division of Medical Assistance  
Vagus Nerve Stimulation  
Medicaid and Health Choice  
For the Treatment of Seizures  
Clinical Coverage Policy No.:1A-33  
Amended Date: June 1, 2018

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1.0 Description of the Procedure, Product, or Service

Approximately 40% of all individuals with epilepsy have medically refractory seizures. Primarily
generalized seizures are the most common type of intractable seizures in children; while in adults,
complex partial seizures are the most common intractable seizure type. Medically refractory
seizures are those seizures that are not completely controlled by medical therapy. That means that
seizures continue to occur despite treatment with a maximally tolerated dose of a first-line anti-
epilepsy drug (AED) as monotherapy or in at least one combination with an adjuvant medication.
The terms "intractable" or "medically refractory" are interchangeable.

In the past 10 years, significant advances have occurred in surgical treatment for epilepsy and in
medical treatment of epilepsy with newly developed and approved medications. Despite these
advances, however, 25%–50% of patients with epilepsy experience breakthrough seizures or
suffer from debilitating adverse effects of antiepileptic drugs. Vagus Nerve Stimulation (VNS)
has been investigated as a treatment alternative in patients with medically refractory partial-onset
seizures for whom surgery is not recommended or for whom surgery has failed.

Vagus Nerve Stimulation (VNS) is performed by an implantable stimulator as a treatment for
refractory seizures. VNS treatment sends preprogrammed, intermittent electrical pulses through
the vagus nerve in the neck to the brain. These pulses originate in a small generator device that is
implanted in the chest. The exact mechanism of the antiepileptic effects of VNS are not fully
understood, but the procedure may reduce the severity or the frequency of seizures in selected
candidates who have an intact vagus nerve.

1.1 Definitions

None Apply.

2.0 Eligibility Requirements

2.1 Provisions

2.1.1 General

(The term “General” found throughout this policy applies to all Medicaid and
NCHC policies)

a. An eligible beneficiary shall be enrolled in either:
   1. the NC Medicaid Program (Medicaid is NC Medicaid program, unless
      context clearly indicates otherwise); or
   2. the NC Health Choice (NCHC is NC Health Choice program, unless
      context clearly indicates otherwise) Program on the date of service and
      shall meet the criteria in Section 3.0 of this policy.
b. Provider(s) shall verify each Medicaid or NCHC beneficiary’s eligibility each time a service is rendered.

c. The Medicaid beneficiary may have service restrictions due to their eligibility category that would make them ineligible for this service.

d. Following is only one of the eligibility and other requirements for participation in the NCHC Program under GS 108A-70.21(a): Children must be between the ages of 6 through 18.

2.1.2 Specific

(The term “Specific” found throughout this policy only applies to this policy)

a. Medicaid
   None Apply.

b. NCHC
   None Apply.

2.2 Special Provisions

2.2.1 EPSDT Special Provision: Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age

a. 42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act]

   Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) is a federal Medicaid requirement that requires the state Medicaid agency to cover services, products, or procedures for Medicaid beneficiary under 21 years of age if the service is medically necessary health care to correct or ameliorate a defect, physical or mental illness, or a condition [health problem] identified through a screening examination (includes any evaluation by a physician or other licensed practitioner).

   This means EPSDT covers most of the medical or remedial care a child needs to improve or maintain his or her health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

   Medically necessary services will be provided in the most economic mode, as long as the treatment made available is similarly efficacious to the service requested by the beneficiary’s physician, therapist, or other licensed practitioner; the determination process does not delay the delivery of the needed service; and the determination does not limit the beneficiary’s right to a free choice of providers.

   EPSDT does not require the state Medicaid agency to provide any service, product or procedure:

   1. that is unsafe, ineffective, or experimental or investigational.
   2. that is not medical in nature or not generally recognized as an accepted method of medical practice or treatment.

   Service limitations on scope, amount, duration, frequency, location of service, and other specific criteria described in clinical coverage policies may be exceeded or may not apply as long as the provider’s documentation shows that the requested service is medically necessary “to correct or ameliorate a
defect, physical or mental illness, or a condition” [health problem]; that is, provider documentation shows how the service, product, or procedure meets all EPSDT criteria, including to correct or improve or maintain the beneficiary’s health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

b. EPSDT and Prior Approval Requirements

1. If the service, product, or procedure requires prior approval, the fact that the beneficiary is under 21 years of age does NOT eliminate the requirement for prior approval.

2. IMPORTANT ADDITIONAL INFORMATION about EPSDT and prior approval is found in the NCTracks Provider Claims and Billing Assistance Guide, and on the EPSDT provider page. The Web addresses are specified below.

   NCTracks Provider Claims and Billing Assistance Guide: https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html
   EPSDT provider page: http://dma.ncdhhs.gov/

2.2.2 EPSDT does not apply to NCHC beneficiaries

2.2.3 Health Choice Special Provision for a Health Choice Beneficiary age 6 through 18 years of age

The Division of Medical Assistance (DMA) shall deny the claim for coverage for an NCHC beneficiary who does not meet the criteria within Section 3.0 of this policy. Only services included under the NCHC State Plan and the DMA clinical coverage policies, service definitions, or billing codes are covered for an NCHC beneficiary.

3.0 When the Procedure, Product, or Service Is Covered

Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.

3.1 General Criteria Covered

Medicaid and NCHC shall cover the procedure, product, or service related to this policy when medically necessary, and:

a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the beneficiary’s needs;

b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available statewide; and

c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the beneficiary, the beneficiary’s caretaker, or the provider.
3.2 Specific Criteria Covered

3.2.1 Specific criteria covered by both Medicaid and NCHC
Medicaid and NCHC cover VNS for the treatment of seizures when it is determined to be medically necessary because BOTH of the following criteria are met:

a. The beneficiary has medically refractory* seizures; AND
   *Medically refractory means
   1. seizures that occur in spite of therapeutic levels of anti-epileptic drugs;
   OR
   2. seizures that cannot be treated with therapeutic levels of anti-epileptic drugs because of intolerable adverse side effects.

b. The beneficiary has failed or is not eligible for surgical treatment.

3.2.2 Medicaid Additional Criteria Covered
None Apply.

3.2.3 NCHC Additional Criteria Covered
None Apply.

4.0 When the Procedure, Product, or Service Is Not Covered

Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.

4.1 General Criteria Not Covered
Medicaid and NCHC shall not cover the procedure, product, or service related to this policy when:

a. the beneficiary does not meet the eligibility requirements listed in Section 2.0;
b. the beneficiary does not meet the criteria listed in Section 3.0;
c. the procedure, product, or service duplicates another provider’s procedure, product, or service; or
d. the procedure, product, or service is experimental, investigational, or part of a clinical trial.

4.2 Specific Criteria Not Covered

4.2.1 Specific Criteria Not Covered by both Medicaid and NCHC
Medicaid and NCHC shall not cover VNS for the treatment of seizures for indications that do not meet the criteria in Subsection 3.2.1; and for

a. beneficiaries who can be treated successfully with anti-epileptic drugs.
b. treatment of beneficiaries with depression.
c. treatment of essential tremor.
d. treatment of headaches.
e. treatment of obesity.
4.2.2 Medicaid Additional Criteria Not Covered

None Apply.

4.2.3 NCHC Additional Criteria Not Covered

a. NCGS § 108A-70.21(b) “Except as otherwise provided for eligibility, fees, deductibles, copayments, and other cost sharing charges, health benefits coverage provided to children eligible under the Program shall be equivalent to coverage provided for dependents under North Carolina Medicaid Program except for the following:
   1. No services for long-term care.
   2. No nonemergency medical transportation.
   3. No EPSDT.
   4. Dental services shall be provided on a restricted basis in accordance with criteria adopted by the Department to implement this subsection.”

5.0 Requirements for and Limitations on Coverage

Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.

5.1 Prior Approval

Medicaid and NCHC shall not require prior approval for VNS.

5.2 Prior Approval Requirements

5.2.1 General

None Apply.

5.2.2 Specific

None Apply.

5.3 Additional Limitations or Requirements

None Apply.

6.0 Providers Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for the procedure, product, or service related to this policy, the provider(s) shall:

a. meet Medicaid or NCHC qualifications for participation;
b. have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

6.1 Provider Qualifications and Occupational Licensing Entity Regulations

None Apply.
6.2 Provider Certifications

None Apply.

7.0 Additional Requirements

Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.

7.1 Compliance

Provider(s) shall comply with the following in effect at the time the service is rendered:

a. All applicable agreements, federal, state and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and

b. All DMA’s clinical (medical) coverage policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by the Centers for Medicare and Medicaid Services (CMS), DHHS, DHHS division(s) or fiscal contractor(s).

8.0 Policy Implementation/Revision Information

Original Effective Date: December 1, 1994

Revision Information:

<table>
<thead>
<tr>
<th>Date</th>
<th>Section Revised</th>
<th>Change</th>
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<tr>
<td>07/01/2012</td>
<td>Throughout</td>
<td>Initial promulgation of current coverage for Medicaid and NCHC.</td>
</tr>
<tr>
<td>10/01/2015</td>
<td>All Sections and Attachments</td>
<td>Updated policy template language and added ICD-10 codes to comply with federally mandated 10/1/2015 implementation where applicable.</td>
</tr>
<tr>
<td>06/01/2018</td>
<td>Subsection 4.2.1</td>
<td>Removed outdated information, “Other service exclusions or limitations may apply. Refer to A Consumer’s Guide to North Carolina Health Care Coverage Programs for Families and Children: North Carolina Health Choice and Medicaid.”</td>
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</table>
Attachment A: Claims-Related Information

Provider(s) shall comply with the, NCTracks Provider Claims and Billing Assistance Guide, Medicaid bulletins, fee schedules, DMA’s clinical coverage policies and any other relevant documents for specific coverage and reimbursement for Medicaid and NCHC:

A. Claim Type

Professional (CMS-1500/837P transaction)

B. International Classification of Diseases and Related Health Problems, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS)

Providers shall bill the ICD-9-CM diagnosis codes(s) to the highest level of specificity that supports medical necessity. Diagnoses that support medical necessity for Vagus Nerve Stimulation for the Treatment of Seizures are:

Provider(s) shall report the ICD-10-CM and Procedural Coding System (PCS) to the highest level of specificity that supports medical necessity. Provider(s) shall use the current ICD-10 edition and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for code description, as it is no longer documented in the policy.

<table>
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<th>ICD-10- Code(s)</th>
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C. Code(s)

Provider(s) shall report the most specific billing code that accurately and completely describes the procedure, product or service provided. Provider(s) shall use the Current Procedural Terminology (CPT), Health Care Procedure Coding System (HCPCS), and UB-04 Data Specifications Manual (for a complete listing of valid revenue codes) and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for the code description, as it is no longer documented in the policy.

If no such specific CPT or HCPCS code exists, then the provider(s) shall report the procedure, product or service using the appropriate unlisted procedure or service code.
**CPT Code(s)**

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<tr>
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**Unlisted Procedure or Service**

CPT: The provider(s) shall refer to and comply with the Instructions for Use of the CPT Codebook, Unlisted Procedure or Service, and Special Report as documented in the current CPT in effect at the time of service.

HCPCS: The provider(s) shall refer to and comply with the Instructions For Use of HCPCS National Level II codes, Unlisted Procedure or Service and Special Report as documented in the current HCPCS edition in effect at the time of service.

**D. Modifiers**

Providers are required to follow applicable modifier guidelines.

**E. Billing Units**

Provider(s) shall report the appropriate code(s) used which determines the billing unit(s).

**F. Place of Service**

Inpatient Hospital, Outpatient Hospital.

**G. Co-payments**


**H. Reimbursement**

Provider(s) shall bill their usual and customary charges.

For a schedule of rates, refer to: [http://dma.ncdhhs.gov/](http://dma.ncdhhs.gov/)