

**Division of Developmental Disabilities**

# **POLICY NOTIFICATION**

**Early Notification Transmittal Date: Dec 24, 2025**

**Public Comment Transmittal Date: Jan 28, 2026**

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## **NOTIFICATION**

***DDD is proposing changes to the following policy:***

**Division Medical Manual, Policy 310-JJ Orthotic and Prosthetic Devices**

### **Description of changes:**

This policy was revised to align with the most recent updated AMPM, specifically the Cochlear Implant section. Those revisions included:

- Added a definition for Cochlear Implants
- Added a new Section E that outlines all of the requirements pertaining to Cochlear Implants including:
  - Referring to Policy 430 for Members under the age of 21
  - Coverage of Cochlear Implants when medically necessary
  - Outlined the criteria Division Members must meet for Cochlear Implants
  - Criteria for coverage of Cochlear Implantation
  - Criteria of when Cochlear Implants are not covered
- Reference to Policy 820 for information on Cochlear Implants for FFS Members
- Added an additional statement to Supplemental Information explaining what Cochlear Implants provides

## **PUBLIC COMMENT TIMELINE**

**Dates:** Public comment will be open for 30 days beginning January 28, 2026 and closing February 27, 2026, 11:59 pm, Arizona time.

**Instructions:** (Complete instructions are located on the Division's [webpage](#))

- Comments may be submitted online by clicking [here](#).
- Do not include any information that is confidential, covered under HIPAA, or inappropriate for public disclosure.

If access to the online form is not available or if you have questions, please email the DDD Policy Unit at [DDDpolicy@azdes.gov](mailto:DDDpolicy@azdes.gov).

## **310-JJ ORTHOTIC AND PROSTHETIC DEVICES**

REVISION DATE: **XX/XX/XXXX**

REVISION DATE: 9/3/2025

EFFECTIVE DATE: September 3, 2025

REFERENCES: AMPM 310-JJ; AMPM 820

### **PURPOSE**

This policy establishes the Division of Developmental Disabilities' (Division) responsibilities for covering Medically Necessary Orthotic and Prosthetic devices for ALTCS eligible Members.

### **DEFINITIONS**

1. "Cochlear Implants" means an electronic hearing device implanted under the skin designed to help with severe to profound nerve deafness by electrically stimulating the auditory nerve inside the ear.
2. "Medically Necessary" means a service ordered or provided by a doctor or licensed health practitioner that helps with a health problem, stops disease, disability, or extends life.

3. "Member" means the same as "Client", a person receiving developmental disabilities services from the Division, as specified in A.R.S. § 36-551.
4. "Orthotic" means devices that are prescribed by a physician or other licensed practitioner of the healing arts to support a weak or deformed portion of the body, or prevent or correct physical deformity or malfunction, as specified in 42 C.F.R. § 440.120 and A.A.C. R9-22-212.
5. "Prosthetic" means devices prescribed by a physician or other licensed practitioner to artificially replace missing, deformed, or malfunctioning portion of the body, such as artificial upper and lower limbs, as specified in A.A.C. R9-22-212.
6. "Service Provider" means an agency or individual operating under a contract or service agreement with the Department to provide services to Division Members.

## **POLICY**

### **A. COVERAGE REQUIREMENTS**

1. The Division shall cover Orthotic and Prosthetic devices for Members, when:

- a. Medically Necessary;
  - b. Prescribed by:
    - i. A Primary Care Provider (PCP)
    - ii. Attending physician;
    - iii. Specialist; or
    - iv. Licensed practitioner.
  - c. Authorized as required by the Division, AdSS, or Arizona Health Care Cost Containment System (AHCCCS) Division of Fee-for-Service Management (DFSM).
2. The Division shall cover Orthotic devices for a Member when Medically Necessary as specified below:
- a. For Members under the age of 21, as specified in AMPM Policy 430; and
  - b. For Members 21 years of age and older, if all of the following apply:
    - i. The use of the Orthotic is Medically Necessary as the preferred treatment option consistent with Medicare Guidelines; and

- ii. The Orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition.
3. The Division shall cover Prosthetics when Medically Necessary within certain limitations as described below:
  - a. For Members under the age of 21 as specified in AMPM Policy 430; and
  - b. For Members age 21 and older when Medically Necessary for rehabilitation, except as specified in Section (D) of this policy.

**B. COVERAGE DETERMINATIONS**

1. The Division shall require the determination of coverage of Orthotic and Prosthetic devices to be based on the following criteria:
  - a. Medical Necessity;
  - b. Cost effectiveness;
  - c. State and federally reimbursable; and
  - d. Maximize the Member's independence and functional level in the most appropriate setting.

2. The Division shall require timely determinations of coverage, as specified in ACOM 414.
3. The Division shall not refuse coverage of Orthotic and Prosthetic devices based on:
  - a. The Member's Medicare or Medicaid dual eligibility status;  
or
  - b. The Service Provider's contract status.
4. The Division shall require that Orthotic and Prosthetic devices that are not covered to:
  - a. Be excluded when determining whether an inpatient stay qualifies as an outlier; and
  - b. Be excluded from the outlier payment calculations.

**C. MAINTENANCE AND REPAIR**

1. The Division shall cover maintenance and repair of component parts for Orthotic and Prosthetic devices under the following conditions:
  - a. The repairs or maintenance will make the device serviceable; and
  - b. The repair cost is less than purchasing another unit.

2. The Division shall cover replacement of component parts for Orthotic and Prosthetic devices when documentation is provided at the time authorization is sought to establish that the component is not operating effectively.

**D. LIMITATIONS**

1. The Division shall apply limitations in coverage for Members 21 years of age and older for lower limb Prosthetics to include:
  - a. Consideration of the Member's:
    - i. Past medical history, including prior Prosthetic use, if applicable;
    - ii. Current condition, including status of the residual limb and the nature of other medical problems; and
    - iii. Degree of motivation to ambulate with a Prosthetic.
  - b. Assessment of the Member's functional level as described below, noting that within the functional classification hierarchy, bilateral amputees often cannot be strictly bound by functional level classifications:
    - i. Level 0 criteria:

- a) The Member does not have the ability or potential to ambulate or transfer safely with or without assistance and prosthesis; and
  - b) The Prosthesis does not enhance the Member's quality of life or mobility.
- ii. Level 1 criteria:
- a) The Member has the ability or potential to use the prosthesis for transfers or ambulation on level surfaces at a fixed cadence; and
  - b) The Member's ambulation would be typical of limited and unlimited ambulation within the household.
- iii. Level 2 criteria:
- a) The Member has the ability or potential for ambulation with the ability to traverse low-level environmental barriers such as curbs, stairs, or uneven surfaces; and
  - b) The Member's ambulation would be typical of limited ambulation within the community.

- iv. Level 3 criteria:
  - a) The Member has the ability or potential for ambulation with variable cadence; and
  - b) The Member's ambulation would be typical of ambulation within the community and who has the ability to traverse most environmental barriers, and may have vocational, therapeutic, or exercise activity that demands prosthetic utilization beyond simple locomotion.
- v. Level 4 criteria:
  - a) The Member has the ability or potential for Prosthetic ambulation that exceeds basic ambulation skills, exhibiting high impact, stress, or energy levels; and
  - b) The Member's ambulation has Prosthetic device demands of a child, active adult, or athlete.

- 2. The Division shall not consider lower limb Prosthetic device Medically Necessary for Members with a functional level of zero.

3. The Division shall cover the Prosthetic device that is most cost effective and meets the minimum specifications for the Member's needs if more than one Prosthetic device can meet the Member's functional needs.
4. The Division shall not cover microprocessor-controlled lower limb or microprocessor-controlled joints for lower limbs for Members 21 years of age and older.
5. The Division shall not cover penile implants or vacuum devices.

**E. COCHLEAR IMPLANTS**

1. The Division shall refer to Division Policy 430 for information regarding coverage of Cochlear Implants for Members under the age 21.
2. The Division shall cover Cochlear Implants when Medically Necessary for Members 21 years of age and older at an AHCCCS registered implantation center as specified in ARS 36-2907.
3. The Division shall ensure Members who are candidates for Cochlear Implants meet the criteria for Medical Necessity that includes:

- a. A diagnosis of either unilateral or bilateral severe to profound sensorineural deafness using age appropriate standard testing, with little or no benefit from a hearing or vibrotactile aid, as established by audiologic and medical evaluation;
- b. Presence of an accessible cochlear lumen structurally suited to implantation, with no lesions in the auditory nerve and acoustic areas of the central nervous system, as demonstrated by:
  - i. CT scan,
  - ii. MRI, or
  - iii. Other appropriate radiologic evaluation as clinically indicated.
- c. No known contraindications to surgery;
- d. Demonstrated age-appropriate cognitive ability to use auditory cues; and
- e. The device is used in accordance with the Food and Drug Administration (FDA) approved labeling.

4. The Division shall ensure the coverage of Cochlear Implantation includes the following treatment and service components:
- a. Complete auditory testing and evaluation by an otolaryngologist, speech-language pathologist, or audiologist;
  - b. Pre-surgery inpatient or outpatient evaluation by a board-certified otolaryngologist;
  - c. Diagnostic procedures and studies, including CT scan or other appropriate radiologic evaluation, for determining candidacy suitability;
  - d. Prosthetic devices for implantation be non-experimental or non-investigational and be FDA approved and used according to labeling instructions;
  - e. Surgical implantation and related services;
  - f. Post-surgical rehabilitation, education, counseling, training and sound processor programming and evaluation;
  - g. The equipment maintenance, repair, and replacement of the internal or external components or both if not operating effectively or compromises the Member's safety;

- h. Documentation which establishes the need to replace components not operating effectively be provided at the time prior authorization is sought; and
  - i. Cochlear implantation requires PA from the AdSS Medical Director, or from the AHCCCS Medical Director or designee for FFS Members.
- 5. The Division shall not cover the following Cochlear Implantants:
  - a. Non-FDA approved devices;
  - b. Upgrades of an existing, functional external system to achieve aesthetic improvement; or
  - c. Upgrades for the sole purpose of upgrading to an advanced technology or next generation devices that are not Medically Necessary.
- 6. The Division shall refer to Division Policy 820 for additional information regarding covered Cochlear Implant services for FFS Members.

**SUPPLEMENTAL INFORMATION**

1. For coverage requirements regarding medical equipment, appliances, and supplies under the home health services benefit, refer to AMPM Policy 310-P.
2. Cochlear implantation provides an awareness and identification of sounds and facilitates communication for Members who have moderate to severe sensorineural hearing loss or nerve deafness. Deafness may be prelingual, perilingual or post-lingual.

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Signature of "Chief Medical Officer"

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Name

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Date