

MAR 18 2009

SENATE CONCURRENT RESOLUTION

REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL
EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR
HEARING AIDS.

1 WHEREAS, according to the Mayo Clinic, an estimated
2 one-quarter of Americans between the ages of sixty-five and
3 seventy-five and around three-quarters of those older than
4 seventy-five have some degree of hearing loss; and

5
6 WHEREAS, further according to the Mayo Clinic, hearing loss
7 is not reversible; and

8
9 WHEREAS, according to the American Association of Retired
10 Persons, the cost of a custom hearing aid can range as high as
11 two thousand dollars and Medicare and most insurance companies
12 do not cover the cost of hearing aids; and

13
14 WHEREAS, section 23-51, Hawaii Revised Statutes, requires
15 that "[b]efore any legislative measure that mandates health
16 insurance coverage for specific health services, specific
17 diseases, or certain providers of health care services as part
18 of individual or group health insurance policies, can be
19 considered, there shall be concurrent resolutions passed
20 requesting the auditor to prepare and submit to the legislature
21 a report that assesses both the social and financial effects of
22 the proposed mandated coverage"; and

23
24 WHEREAS, section 23-51, Hawaii Revised Statutes, further
25 provides that "[t]he concurrent resolutions shall designate a
26 specific legislative bill that:

- 27
28 (1) Has been introduced in the legislature; and
29
30 (2) Includes, at a minimum, information identifying the:
31



- 1 (A) Specific health service, disease, or provider
- 2 that would be covered;
- 3
- 4 (B) Extent of the coverage;
- 5
- 6 (C) Target groups that would be covered;
- 7
- 8 (D) Limits on utilization, if any; and
- 9
- 10 (E) Standards of care.
- 11

12 For the purposes of this part, mandated health insurance
 13 coverage shall not include mandated options"; and
 14

15 WHEREAS, section 23-52, Hawaii Revised Statutes, further
 16 specifies the minimum information required for assessing the
 17 social and financial impact of the proposed health coverage
 18 mandate in the Auditor's report; and
 19

20 WHEREAS, S.B. No. 192, S.D. 1 (2009), mandates health
 21 insurance coverage for hearing aids for hospital and medical
 22 service plan contracts, medical service corporation contracts,
 23 and health maintenance organization plans, other than an
 24 accident-only, specified disease, hospital indemnity, medicare
 25 supplement, long-term care, dental, vision, or other limited
 26 benefit health insurance policy; and
 27

28 WHEREAS, the Legislature believes that mandatory health
 29 insurance coverage for hearing aids, as provided in S.B.
 30 No. 192, S.D. 1 (2009), will substantially assist persons
 31 suffering from hearing loss to lead full lives; now, therefore,
 32

33 BE IT RESOLVED by the Senate of the Twenty-fifth
 34 Legislature of the State of Hawaii, Regular Session of 2009, the
 35 House of Representatives concurring, that the Auditor is
 36 requested to conduct an impact assessment report, pursuant to
 37 sections 23-51 and 23-52, Hawaii Revised Statutes, of the social
 38 and financial impacts of mandating coverage for hearing aids for
 39 hospital and medical service plan contracts, medical service
 40 corporation contracts, and health maintenance organization plans
 41 as provided in S.B. No. 192, S.D. 1 (2009); and
 42

43 BE IT FURTHER RESOLVED that the Auditor is requested to
 44 submit its findings and recommendations to the Legislature,



1 including any necessary implementing legislation, no later than
2 twenty days prior to the convening of the Regular Session of
3 2010; and

4
5 BE IT FURTHER RESOLVED that certified copies of this
6 Concurrent Resolution be transmitted to the Auditor and to the
7 Insurance Commissioner, who in turn is requested to transmit
8 copies to each insurer in the State that issues health insurance
9 policies.

10
11
12

OFFERED BY: Arnold Y. Lee

Robert J. ...

Will Egan

D. J. ...

JP ...

Sharonne Chun Oakland

Ronald H. ...





STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
919 ALA MOANA BOULEVARD, ROOM 113
HONOLULU, HAWAII 96814
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

April 3, 2009

The Honorable Rosalyn H. Baker, Chair
House Committee on Commerce & Consumer Protection
Twenty-Fifth Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

Dear Senator Baker and Members of the Committee:

SUBJECT: SCR 168 – REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER COVERAGE FOR HEARING AIDS.

The position and views expressed in this testimony do not represent nor reflect the position and views of the Department of Health.

The State Council on Developmental Disabilities **SUPPORTS SCR 168**. The purpose of the concurrent resolution is to request the Auditor to: 1) conduct an impact assessment report of the social and financial impacts of mandating health insurers to provide coverage for hearing aids; and 2) submit findings and recommendations to the Legislature prior to the convening of the Regular Session of 2010.

The Council is aware that Section 23-51, Hawaii Revised Statutes (HRS), requires that before any legislative measure mandating health insurance coverage can be considered, concurrent resolutions must be passed by the Legislature requesting the Auditor to submit a report to the Legislature that assesses both the social and financial effects of the proposed mandated coverage (see attached Section 23-51, HRS).

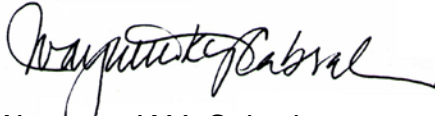
The Council recognizes the merits of SB 192 SD1 (2009) that provides for mandated coverage of hearing aids, and acknowledges the benefits hearing aids provide for individuals with disabilities regarding auditory stimulation, developing and maintaining communication and language skills, and preventing further developmental delays and hearing disabilities.

The Honorable Rosalyn H. Baker
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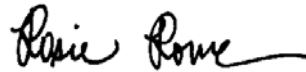
The Council appreciates the Legislature's initiative in addressing mandated coverage of hearing aids by private health insurers and looks forward to the results of the Auditor's report.

Thank you for the opportunity to present testimony in support of SCR 168.

Sincerely,



Waynette K.Y. Cabral
Executive Administrator



Rosie Rowe
Chair

Attachment (1 page)

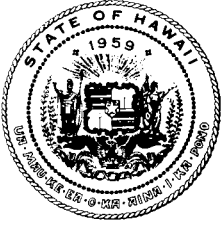
**[PART IV.] SOCIAL AND FINANCIAL ASSESSMENT OF
PROPOSED MANDATORY HEALTH INSURANCE COVERAGE**

§23-51 Proposed mandatory health insurance coverage; impact assessment report. Before any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report that assesses both the social and financial effects of the proposed mandated coverage. The concurrent resolutions shall designate a specific legislative bill that:

- (1) Has been introduced in the legislature; and
- (2) Includes, at a minimum, information identifying the:
 - (A) Specific health service, disease, or provider that would be covered;
 - (B) Extent of the coverage;
 - (C) Target groups that would be covered;
 - (D) Limits on utilization, if any; and
 - (E) Standards of care.

For purposes of this part, mandated health insurance coverage shall not include mandated optionals. [L 1987, c 331, pt of §1; am L 1990, c 227, §1; am L 1996, c 270, §2]

Taken from Section 23-51, HRS, Volume 1, 2007 Cumulative Supplement.



DISABILITY AND COMMUNICATION ACCESS BOARD

919 Ala Moana Boulevard, Room 101 • Honolulu, Hawaii 96814
Ph. (808) 586-8121 (V/TDD) • Fax (808) 586-8129

April 3, 2009

TESTIMONY TO THE SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Senate Concurrent Resolution 168 – Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Offer Coverage for Hearing Aids

The Disability and Communication Access Board (DCAB) is a statewide board with seventeen (17) members appointed by the Governor, thirteen (13) of whom are persons with disabilities or family members. The Board's mission is to advocate and promote full integration, independence, equal access, and quality of life for persons with disabilities in society. This testimony represents a position voted upon by the Legislative Committee of the Board.

We support Senate Concurrent Resolution 168 Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Offer Coverage for Hearing Aids. We are aware that it is a requirement for a study to be conducted related to the social and financial effects of requiring health insurers to offer coverage for hearing aids per Section 21-51, Hawaii Revised Statutes. DCAB supports this study in order to obtain necessary information to amend the statute in an informed and appropriate manner to mandate coverage for hearing aids.

Hearing is essential to most individuals in their daily lives (waking up to an alarm clock, listening for our children or the radio, or talking on the phone). It allows us to be connected to others in our environment. A hearing aid enhances the person's ability to interact independently in the community, but the cost is prohibitive to the average adult. Being able to have some of the cost covered by a health plan would enable some individuals to be able to obtain a hearing aid without feeling guilty that the money is better spent on some other necessity. An individual should not have to choose between hearing or not hearing when a hearing aid is available as a viable option.

Thank you for the opportunity to testify.

Respectfully submitted,

CHARLES W. FLEMING
Chairperson

FRANCINE WAI
Executive Director



A non-profit organization run by and for persons with disabilities

Hawaii Centers for Independent Living
414 Kuwili Street, Suite 102
Honolulu, Hawaii 96817

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Senator Rosalyn H. Baker, Chair
Senator David Y. Ige, Vice Chair
Committee on Commerce and Consumer Protection

Hawaii Centers for Independent Living
Friday, April 3, 2009, 9:30 AM, Conference Room 229

Strongly supporting SCR 168, Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Offer Coverage for Hearing Aids.

Hawaii Centers for Independent Living is a non-profit organization operated by and for people with disabilities to ensure their rights to live independently and fully integrated in the community of their choice, outside of institutional care settings. As a non-profit, statewide resource, HCIL serves people of any age with any type of disability. HCIL was founded on the historical constitutional beliefs of civil rights and the empowerment of people with disabilities to have equal access, opportunities, and choices in life, no matter how severe their disability.

We strongly support SCR168, Requesting the Auditor to Assess the Social and Financial Effects of Requiring Health Insurers to Offer Coverage for Hearing Aids.

At present, insurance coverage for hearing aid devices ranges from minimal to nonexistent. At the Senate Health Committee hearing on a related measure, SB192, it was revealed that the state's second-largest insurer offers no hearing aid coverage whatsoever in many of its plans. Some plans impose an unrealistic cap of a few hundred dollars per device, when hearing aids can cost two to three thousand dollars apiece. Others will only cover the cost of the device to the doctor, leaving the patient to pay the difference out of pocket. Still others place a limit on how many devices are covered within a specific time frame. This is especially damaging to children with hearing loss, who grow out of the devices just as they do things like clothes. We believe that hearing aids should be covered on the same basis as similar (but less expensive) devices such as eyeglasses.

We urge the committee to pass SCR168. Thank you for this opportunity to testify.

Sincerely,

Mark F. Romoser



Government Relations

Testimony of
Phyllis Dendle
Director of Government Relations

Before:
Senate Committee on Commerce and Consumer Protection
The Honorable Rosalyn H. Baker, Chair
The Honorable David Y. Ige, Vice Chair

April 3, 2009
9:30 am
Conference Room 229

**Re: SCR 168 REQUESTING THE AUDITOR TO ASSESS THE SOCIAL AND
FINANCIAL EFFECTS OF REQUIRING HEALTH INSURERS TO OFFER
COVERAGE FOR HEARING AIDS.**

Chair Baker and committee members, thank you for this opportunity to provide testimony on SCR 168 which requests the auditor to assess the social and financial effects of requiring health insurers to offer coverage hearing aids.

Kaiser Permanente Hawaii supports this resolution.

We offer for your consideration a few additional clauses that may make the auditor's study more useful.

BE IT FURTHER RESOLVED that the Auditor is requested to identify the number of residents in Hawaii in the target population who are deaf, hard of hearing and deaf-blind based on national prevalence rates, in order to determine who may be impacted by the cost of hearing aids; and

BE IT FURTHER RESOLVED that the Auditor is requested to include in the impact assessment report a survey of other states in the U.S. which have implemented a mandate for hearing aids to examine what the experience has been in these states; and

BE IT FURTHER RESOLVED that the Auditor is requested to research public and private entities that provide coverage for hearing aids to determine what is currently being used as a standard for frequency of replacement and what, if any, cost limitations are placed on the hearing aid coverage benefit. This research should examine whether different standards are applied to adults compared to children in need of these devices. Entities for this research should include, but not be limited to, Medicare, Medicaid and health plans in Hawaii, and individuals who need, use or otherwise experience the need for such devices; and

BE IT FURTHER RESOLVED that the Auditor is requested to examine current medically necessary standards of care used to determine what type of hearing aid best suits an individual with hearing loss. An examination of the existing technology in hearing aids and possible future technology should be examined; and

Thank you for your consideration.

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