

JAN 20 2017

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# A BILL FOR AN ACT

RELATING TO HEARING AIDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that approximately three  
2 to four out of every one thousand children born in Hawaii are  
3 identified as having permanent hearing loss. According to the  
4 National Institutes of Health, about one-third of Americans  
5 between the ages of sixty-five and seventy-five and around  
6 one-half of those older than seventy-five have some degree of  
7 hearing loss.

8           According to the Lions Club, the cost for one digital  
9 hearing aid can cost approximately \$3,000 or higher. Some  
10 people with a permanent conductive hearing loss, for whom  
11 conventional hearing aids are not appropriate, may benefit from  
12 amplification through bone conduction hearing aids, which can  
13 cost over \$3,000. Furthermore, about fifty per cent of  
14 childhood hearing loss is due to genetic causes, meaning that  
15 more than one member in a family may need to wear hearing aids,  
16 thereby multiplying the financial hardship caused by the cost of  
17 purchasing hearing aids.



1           Currently, most health insurance plans in Hawaii cover the  
2 purchase of hearing aids, but the amount of coverage may be low,  
3 leaving the patient with a large copayment. As a result, it is  
4 not unusual for people with hearing loss to choose to delay  
5 purchase or forgo the purchase of hearing aids because they are  
6 unable to pay for them. A 2005 study by the Better Hearing  
7 Institute estimated that untreated hearing loss resulted in a  
8 loss of income per household of up to \$12,000 per year.  
9 Hawaii's medicaid managed care plans cover hearing aid  
10 evaluation, selection, purchase, and fitting every three years,  
11 and subsequent hearing aid checks, hearing testing, ear molds,  
12 repairs, and batteries. However, federal medicare insurance  
13 plans for the elderly only cover hearing testing and do not  
14 cover hearing aid purchases and related services.

15           According to the American Speech-Language-Hearing  
16 Association, twenty states currently mandate insurance coverage  
17 for hearing aids. In states that specify the frequency of  
18 replacing hearing aids, the range is every two to five years,  
19 with thirteen states requiring replacement every three years.  
20 Fifteen states have parameters on the amount of coverage that



1 the insurance companies must provide, ranging from \$1,400 to  
2 \$4,000 per ear or hearing aid.

3 The legislature further finds that the auditor published  
4 report No. 14-10, a sunrise study on the advisability of  
5 mandating insurance coverage for hearing aids, as proposed in  
6 S.B. No. 309, S.D. 1 (2013). The auditor found that most  
7 insurance plans in Hawaii already cover or plan to cover the  
8 cost of hearing aids in 2015 and that although the current  
9 coverage level may require a large copayment, those insurance  
10 plans would still comply with S.B. No. 309, S.D. 1, since that  
11 legislation did not contain limits on coverage, frequency for  
12 replacing hearing aids, or costs covered by insurers.

13 The purpose of this Act is to require health insurance  
14 coverage in the State for hearing aids for people with all types  
15 of hearing loss and specify a minimum amount of coverage and  
16 frequency for replacement of hearing aids under the coverage.

17 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
18 amended by adding a new section to article 10A to be  
19 appropriately designated and to read as follows:

20 "§431:10A- Coverage for hearing aids. (a) Each  
21 individual and group accident and health or sickness policy,



1 contract, plan, or agreement issued or renewed in this State  
2 after December 31, 2018, other than an accident-only, specified  
3 disease, hospital indemnity, medicare supplement, long-term  
4 care, dental, vision, or other limited benefit health insurance  
5 policy, shall provide, not as an employer option, coverage for  
6 the cost of hearing aids for the policyholder and individuals  
7 covered under the policy, contract, plan, or agreement.

8 (b) Hearing aid purchases covered under this section shall  
9 be subject to a minimum benefit of \$1,500 per hearing-impaired  
10 ear every thirty-six months.

11 (c) The policyholder and individual covered under the  
12 policy, contract, plan, or agreement may choose a hearing aid  
13 that is priced higher than the benefit payable under this  
14 section without financial or contractual penalty to the provider  
15 of the hearing aid.

16 (d) This section does not prohibit an entity subject to  
17 this section from providing coverage that is greater or more  
18 favorable to the policyholder and individuals covered under the  
19 policy, contract, plan, or agreement.

20 (e) Coverage required under this section may be subject to  
21 deductibles, copayments, coinsurance, or annual or maximum



1 payment limits that are consistent with deductibles, copayments,  
2 coinsurance, and annual or maximum payment limits applicable to  
3 other similar coverage under the policy, contract, plan, or  
4 agreement.

5 (f) Every insurer shall provide notice to its  
6 policyholders regarding the coverage required by this section.  
7 The notice shall be in writing and prominently positioned in any  
8 literature or correspondence sent to policyholders and shall be  
9 transmitted to policyholders within calendar year 2019 when  
10 annual information is made available to policyholders, or in any  
11 other mailing to policyholders, but in no case later than  
12 December 31, 2019.

13 (g) For the purposes of this section, "hearing aid" shall  
14 have the same meaning as in section 451A-1 and includes  
15 conventional and bone conduction hearing aids."

16 SECTION 3. Chapter 432, Hawaii Revised Statutes, is  
17 amended by adding a new section to article 1 to be appropriately  
18 designated and to read as follows:

19 "§432:1- Coverage of hearing aids. (a) Each individual  
20 and group hospital or medical service plan contract issued or  
21 renewed in this State after December 31, 2018, shall provide,



1 not as an employer option, coverage for the cost of hearing aids  
2 for the member and individuals covered under the individual and  
3 group hospital or medical service plan contract.

4 (b) Hearing aid purchases covered under this section shall  
5 be subject to a minimum benefit of \$1,500 per hearing-impaired  
6 ear every thirty-six months.

7 (c) The members and individuals covered under the plan  
8 contract may choose a hearing aid that is priced higher than the  
9 benefit payable under this section without financial or  
10 contractual penalty to the provider of the hearing aid.

11 (d) This section does not prohibit an entity subject to  
12 this section from providing coverage that is greater or more  
13 favorable to the member and individuals covered under the plan  
14 contract.

15 (e) Coverage required under this section may be subject to  
16 deductibles, copayments, coinsurance, or annual or maximum  
17 payment limits that are consistent with deductibles, copayments,  
18 coinsurance, and annual or maximum payment limits applicable to  
19 other similar coverage under the individual and group hospital  
20 or medical service plan contract.



1        (f) Every mutual benefit society shall provide notice to  
2 its members regarding the coverage required by this section.  
3 The notice shall be in writing and prominently positioned in any  
4 literature or correspondence sent to members and shall be  
5 transmitted to members within calendar year 2019 when annual  
6 information is made available to policyholders, or in any other  
7 mailing to members, but in no case later than December 31, 2019.

8        (g) For the purposes of this section, "hearing aid" shall  
9 have the same meaning as in section 451A-1 and includes  
10 conventional and bone conduction hearing aids."

11        SECTION 4. Section 432D-23, Hawaii Revised Statutes, is  
12 amended to read as follows:

13        **"§432D-23 Required provisions and benefits.**

14 Notwithstanding any provision of law to the contrary, each  
15 policy, contract, plan, or agreement issued in the State after  
16 January 1, 1995, by health maintenance organizations pursuant to  
17 this chapter, shall include benefits provided in sections  
18 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-  
19 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,  
20 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,



1 431:10A-133, 431:10A-134, 431:10A-140, [~~and 431:10A-134,~~] and  
2 431:10A- , and chapter 431M."

3 SECTION 5. The benefit to be provided by health  
4 maintenance organizations corresponding to the benefit provided  
5 under section 431:10A- , Hawaii Revised Statutes, as contained  
6 in the amendment to section 432D-23, Hawaii Revised Statutes, in  
7 section 4 of this Act, shall take effect for all policies,  
8 contracts, plans, or agreements issued in the State after  
9 December 31, 2018.

10 SECTION 6. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect upon its approval.

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# S.B. NO. 535

**Report Title:**

Hearing Aids; Health Insurance; Mandated Coverage

**Description:**

Requires health insurance policies and contracts issued after 12/31/18 to provide coverage for the cost of hearing aids at a minimum of \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

