

JAN 17 2020

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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 one-  
6 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 be around \$3,000 or higher. Some people with a  
10 permanent conductive hearing loss, for whom conventional hearing  
11 aids are not appropriate, may benefit from amplification through  
12 bone conduction hearing aids, which can also cost over \$3,000.  
13 Furthermore, about fifty per cent of childhood hearing loss is  
14 due to genetic causes, meaning that more than one member in a  
15 family may need to wear hearing aids, thereby multiplying the  
16 financial hardship caused by the cost of purchasing hearing  
17 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 do not cover hearing aid purchases and  
14 related services, and only cover hearing testing.

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 (2014), 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, regular session of 2013. The auditor  
7 found that most insurance plans in Hawaii already covered or  
8 planned to cover the cost of hearing aids by 2015 and that  
9 although the coverage levels at that time might require a large  
10 co-payment, those insurance plans would have complied with  
11 S.B. No. 309, S.D. 1, regular session of 2013, had it been  
12 enacted. The legislature notes that the auditor's report  
13 expressed concerns that S.B. No. 309, S.D. 1, had no limits on  
14 coverage, such as minimum or maximum costs covered by insurers  
15 or frequency of placement. This Act addresses these concerns  
16 and includes a minimum coverage benefit of \$1,500 per hearing  
17 aid for each hearing-impaired ear every thirty-six months. A  
18 second impact assessment report by the auditor is therefore  
19 unnecessary.

20 The purpose of this Act is to require health insurance  
21 coverage in the State to include hearing aids for all types of



1 hearing loss and specify a minimum amount of coverage and the  
2 frequency for replacement of hearing aids under the coverage.

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

6 "§431:10A- Coverage for hearing aids. (a) Each policy  
7 of individual and group accident and health or sickness  
8 insurance issued or renewed in this State after December 31,  
9 2021, shall provide coverage for the cost of hearing aids for  
10 the policyholder and individuals covered under the policy.

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

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

18 (d) This section does not prohibit an insurer subject to  
19 this section from providing coverage that is greater or more  
20 favorable to the policyholder and individuals covered under the  
21 policy.



1       (e) Coverage required under this section may be subject to  
2 deductibles, copayments, coinsurance, or annual or maximum  
3 payment limits that are consistent with deductibles, copayments,  
4 coinsurance, and annual or maximum payment limits applicable to  
5 other similar coverage under the policy.

6       (f) Every insurer shall provide notice to its  
7 policyholders regarding the coverage required by this section.  
8 The notice shall be in writing and prominently positioned in any  
9 literature or correspondence sent to policyholders and shall be  
10 transmitted to policyholders within calendar year 2021 when  
11 annual information is made available to policyholders, or in any  
12 other mailing to policyholders, but in no case later than  
13 December 31, 2021.

14       (g) This section shall not apply to limited benefit health  
15 insurance as provided in section 431:10A-102.5.

16       (h) For the purposes of this section, "hearing aid" shall  
17 have the same meaning as in section 451A-1 and includes  
18 conventional and bone conduction hearing aids."

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



1       "§432:1- Coverage of hearing aids. (a) Each individual  
2 and group hospital or medical service plan contract issued or  
3 renewed in this State after December 31, 2021, shall provide  
4 coverage for the cost of hearing aids for the member and  
5 individuals covered under the individual and group hospital or  
6 medical service plan contract.

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

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

14       (d) This section does not prohibit a mutual benefit  
15 society subject to this section from providing coverage that is  
16 greater or more favorable to the member and individuals covered  
17 under the individual and group hospital or medical service plan  
18 contract.

19       (e) Coverage required under this section may be subject to  
20 deductibles, copayments, coinsurance, or annual or maximum  
21 payment limits that are consistent with deductibles, copayments,



1 coinsurance, and annual or maximum payment limits applicable to  
2 other similar coverage under the individual and group hospital  
3 or medical service plan contract.

4 (f) Every mutual benefit society shall provide notice to  
5 its members regarding the coverage required by this section.  
6 The notice shall be in writing and prominently positioned in any  
7 literature or correspondence sent to members and shall be  
8 transmitted to members within calendar year 2021 when annual  
9 information is made available to policyholders, or in any other  
10 mailing to members, but in no case later than December 31, 2021.

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

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

16 **"§432D-23 Required provisions and benefits.**

17 Notwithstanding any provision of law to the contrary, each  
18 policy, contract, plan, or agreement issued in the State after  
19 January 1, 1995, by health maintenance organizations pursuant to  
20 this chapter, shall include benefits provided in sections  
21 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116,



1 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119,  
 2 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126,  
 3 431:10A-132, 431:10A-133, 431:10A-134, 431:10A-140, and  
 4 [~~431:10A-134~~,] 431:10A- , and chapter 431M."

5 SECTION 5. The benefit to be provided by health  
 6 maintenance organizations corresponding to the benefit provided  
 7 under section 431:10A- , Hawaii Revised Statutes, as contained  
 8 in the amendment to section 432D-23, Hawaii Revised Statutes, in  
 9 section 4 of this Act, shall take effect for all policies,  
 10 contracts, plans, or agreements issued in the State after  
 11 December 31, 2021.

12 SECTION 6. Section 23-51, Hawaii Revised Statutes, shall  
 13 not apply to this Act.

14 SECTION 7. Statutory material to be repealed is bracketed  
 15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect on July 1, 2020.

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INTRODUCED BY:

*Ronald H. Bell*  
*Paul E. Bell*





# S.B. NO. 2583

**Report Title:**

Kupuna Caucus; Health Insurance Coverage; Hearing Aids

**Description:**

Requires health insurance policies and contracts issued after 12/31/2021 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 in their base plans. Exempts mandatory health care coverage from impact assessment report.

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

