
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 issued or renewed in this State after December 31, 2018, other
2 than a limited benefit health insurance policy as provided in
3 section 431:10A-102.5, shall provide, not as an employer option,
4 coverage for the cost of hearing aids for the policyholder and
5 individuals covered under the policy.

6 (b) Hearing aid purchases covered under this section shall
7 be subject to a minimum benefit of \$1,500 for a reasonably
8 medically necessary hearing aid per hearing-impaired ear every
9 thirty-six months. A policyholder or individual covered under
10 the policy who has not used the minimum benefit before the end
11 of the thirty-six-month period shall be eligible to use any
12 remaining benefit toward the cost of a replacement hearing aid.

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

17 (d) This section does not prohibit a health insurer
18 subject to this section from providing coverage that is greater
19 or more favorable to the policyholder and individuals covered
20 under the 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 or provided to policyholders
10 and shall be transmitted to policyholders within calendar year
11 2019 when annual information is made available to policyholders,
12 or in any other mailing to policyholders, but in no case later
13 than December 31, 2019.

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

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

20 "**§432:1- Coverage of hearing aids.** (a) Each individual
21 and group hospital or medical service plan contract issued or



1 renewed in this State after December 31, 2018, shall provide,
2 not as an employer option, coverage for the cost of hearing aids
3 for the member and individuals covered under the plan contract.

4 (b) Hearing aid purchases covered under this section shall
5 be subject to a minimum benefit of \$1,500 for a reasonably
6 medically necessary hearing aid per hearing-impaired ear every
7 thirty-six months. A member or individual covered under the
8 plan contract who has not used the minimum benefit before the
9 end of the thirty-six-month period shall be eligible to use any
10 remaining benefit toward the cost of a replacement hearing aid.

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

15 (d) This section does not prohibit a mutual benefit
16 society subject to this section from providing coverage that is
17 greater or more favorable to the member and individuals covered
18 under the plan 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 or provided to members and
8 shall be transmitted to members within calendar year 2019 when
9 annual information is made available to members, or in any other
10 mailing to members, but in no case later than December 31, 2019.

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, 431:10A-



1 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
2 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,
3 431:10A-133, 431:10A-134, 431:10A-140, and [~~431:10A-134~~,]
4 431:10A- , 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, 2018.

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. This Act shall take effect on June 1, 2050.



S.B. NO. 535
S.D. 2

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. Takes effect on 6/1/2050. (SD2)

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

