

JAN 18 2019

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 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 co-payment. 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 S.B.
11 No. 309, S.D. 1, Regular Session of 2013, had it been enacted,
12 since that legislation did not contain limits on coverage,
13 frequency for replacing hearing aids, or costs covered by
14 insurers.

15 The purpose of this Act is to require health insurance
16 coverage in the State for hearing aids for all types of hearing
17 loss, as well as specify a minimum amount of coverage and the
18 frequency for replacement of hearing aids under the coverage.

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



1 "§431:10A- Coverage for hearing aids. (a) Each
2 individual and group accident and health or sickness policy,
3 contract, plan, or agreement issued or renewed in this State
4 after December 31, 2019, other than an accident-only, specified
5 disease, hospital indemnity, medicare supplement, long-term
6 care, dental, vision, or other limited benefit health insurance
7 policy, shall provide, not as an employer option, coverage for
8 the cost of hearing aids for the policyholder and individuals
9 covered under the policy, contract, plan, or agreement.

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

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

18 (d) This section does not prohibit an entity 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, contract, plan, or agreement.



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, contract, plan, or
6 agreement.

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

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

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



1 "§432:1- Coverage of hearing aids. (a) Each individual
2 and group hospital or medical service plan, policy, contract, or
3 agreement issued or renewed in this State after December 31,
4 2019, shall provide, not as an employer option, coverage for the
5 cost of hearing aids for the member and individuals covered
6 under the individual and group hospital or medical service plan,
7 policy, contract, 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 members and individuals covered under the policy,
12 contract plan, or agreement may choose a hearing aid that is
13 priced higher than the benefit payable under this section
14 without financial or contractual penalty to the provider of the
15 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 member and individuals covered under the
19 individual and group hospital or medical service plan, policy,
20 contract, or agreement.



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 individual and group hospital
6 or medical service plan, policy, contract, or agreement.

7 (f) Every mutual benefit society shall provide notice to
8 its members regarding the coverage required by this section.
9 The notice shall be in writing and prominently positioned in any
10 literature or correspondence sent to members and shall be
11 transmitted to members within calendar year 2019 when annual
12 information is made available to policyholders, or in any other
13 mailing to members, but in no case later 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 4. Section 432D-23, Hawaii Revised Statutes, is
18 amended to read as follows:

19 "**§432D-23 Required provisions and benefits.**

20 Notwithstanding any provision of law to the contrary, each
21 policy, contract, plan, or agreement issued in the State after



1 January 1, 1995, by health maintenance organizations pursuant to
 2 this chapter, shall include benefits provided in sections
 3 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
 4 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,
 5 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, 431:10A-132,
 6 431:10A-133, 431:10A-134, 431:10A-140, and [~~431:10A-134~~],
 7 431:10A- , and chapter 431M."

8 SECTION 5. The benefit to be provided by health
 9 maintenance organizations corresponding to the benefit provided
 10 under section 431:10A- , Hawaii Revised Statutes, as contained
 11 in the amendment to section 432D-23, Hawaii Revised Statutes, in
 12 section 4 of this Act, shall take effect for all policies,
 13 contracts, plans, or agreements issued in the State after
 14 December 31, 2019.

15 SECTION 6. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

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

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S.B. NO. 1027

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S.B. NO. 1027

Report Title:

Kupuna Caucus; Health Insurance Coverage; Hearing Aids

Description:

Requires health insurance policies and contracts issued after 12/31/19 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.

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

