



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2019**

ON THE FOLLOWING MEASURE:

H.B. NO. 469, H.D. 1, RELATING TO HEARING AIDS.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, February 26, 2019 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Clare E. Connors, Attorney General, or
Daniel K. Jacob, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General makes the following comments.

The purpose of this bill is to require insurance companies to provide coverage for hearing aids for all types of hearing loss, as well as to specify a minimum amount of coverage and the frequency for replacement of hearing aids under the coverage.

Under section 1311(d)(3)(B) of the Affordable Care Act and 45 C.F.R. section 155.170, a state may only require a Qualified Health Plan to add benefits if the state defrays the cost of the additional benefits, unless the proposed new benefit is directly attributable to State compliance with Federal requirements to provide Essential Health Benefits after December 31, 2011.

This bill would require Qualified Health Plans to provide coverage for the cost of hearing aids and to specify a minimum amount of coverage and the frequency for replacement of hearing aids under the coverage. Because this benefit was neither mandated by state law prior to December 31, 2011, nor directly attributable to compliance with Federal requirements after December 31, 2011, it may be considered an additional mandate. If so, the State would be required to defray the cost.

At this time, our department is unaware of a state that has been subjected to the obligation to defray the cost for additional benefits. Therefore, there are no prior examples of how the State would meet its obligation and what specific procedures would be necessary to fulfill the obligation. Our department's best understanding is that after the Qualified Health Plan issuer submits the issuer's costs attributable to the

additional mandate, the Legislature would need to appropriate the money during the following legislative session and propose a mechanism to distribute the money.

Thank you for the opportunity to comment.



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Tuesday, February 26, 2019
11:00 a.m.
State Capitol, Conference Room 308**

**On the following measure:
H.B. 469, H.D. 1, RELATING TO HEARING AIDS**

Chair Luke and Members of the Committee:

My name is Colin Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department offers comments on this bill.

The purpose of this bill is to require health insurance coverage for hearing aids for all types of hearing loss, as well as specify a minimum amount of coverage and the frequency for replacement of hearing aids under the coverage.

This may be viewed as a new mandate. The addition of new mandated coverage may trigger section 1311(d)(3) of the federal Patient Protection and Affordable Care Act (PPACA), which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State's qualified health plan under the PPACA.

Additionally, any proposed mandate providing coverage for care requires the passage of a concurrent resolution requesting the State Auditor to prepare and submit a report assessing the social and financial impacts of the proposed mandate, pursuant to

Testimony of DCCA

H.B. 469, H.D. 1

Page 2 of 2

Hawaii Revised Statutes (HRS) section 23-51. Although page 3, lines 3-14 of this bill notes the State Auditor published Report No. 14-10 in 2014, that report addressed S.B. 309, S.D. 1 (Regular Session of 2013), whose language deviates from this bill. Notably, H.D. 1 contains a minimum benefit of an unspecified amount per hearing-impaired ear every thirty-six months, whereas S.B. 309 contained no benefit limitations.

Finally, the statutory requirement in HRS section 23-51 for an impact assessment report on any legislative proposal mandating health insurance coverage may also not be met.

Thank you for the opportunity to testify on this bill.



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • TTY (808) 586-8162

February 26, 2019

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

House Bill 469, HD1 - Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports House Bill 469, HD1 that requires health insurance providers and contracts issued after December 31, 2019 to provide coverage for the cost of hearing aids up to \$1,500 per hearing aid for each ear with hearing impairment, and that the aids may be changed every thirty-six months, as needed. These recommendations were from the Legislative Auditor's Study completed in October 2014.

Currently, private health insurance plans provide partial coverage for eyeglasses to correct vision, and some provide partial coverage for hearing aids. Hearing is an equally important sense upon which an individual depends for communication, so an individual with a hearing loss would have improved coverage for hearing aids through a private insurance carrier. For children, it is crucial for them to use their residual hearing to develop language at an early age.

House Bill 469 addresses the concerns from the Auditor's sunrise review that was received by the Hawaii State Legislature on January 14, 2015. Since the sunrise review was completed in October 2014, we request that these changes incorporated into state law and take effect upon approval. The increase in insurance coverage would allow individuals with hearing difficulties a wider variety of hearing aids that will assist them with functioning in their daily lives.

Thank you for the opportunity to testify.

Respectfully submitted,

FRANCINE WAI
Executive Director

DAVID Y. IGE
GOVERNOR



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

P.O. BOX 2121
HONOLULU, HAWAII 96805-2121
Oahu (808) 586-7390
Toll Free 1(800) 295-0089
www.eutf.hawaii.gov

BOARD OF TRUSTEES
RODERICK BECKER, *CHAIRPERSON*
AUDREY HIDANO, *VICE-CHAIRPERSON*
CHRISTIAN FERN, *SECRETARY-TREASURER*
LINDA CURRIVAN MUSTO
DAMIEN ELEFANTE
LAUREL JOHNSTON
GORDON MURAKAMI
CELESTE Y.K. NIP
CLIFFORD UWAINA
RYKER WADA

ADMINISTRATOR
DEREK M. MIZUNO

ASSISTANT ADMINISTRATOR
DONNA A. TONAKI

WRITTEN ONLY

TESTIMONY BY DEREK MIZUNO
ADMINISTRATOR, HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON HOUSE BILL NO. 469 H.D. 1

February 26, 2019
11:00 a.m.
Room 308

RELATING TO HEARING AIDS

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board of Trustees has not taken a position on this bill. EUTF staff would like to provide estimates of the cost impact.

This bill mandates coverage of hearing aids at a minimum of \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months. If the EUTF plans were enhanced to this benefit level, it would add approximately \$567,000 and \$2.0 million in annual claims to the EUTF employee and retiree plans, respectively. It is estimated that such an increase in claims to the retiree plans would increase the State and counties unfunded liability by \$41.8 million.

Thank you for the opportunity to testify.

EUTF's Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide informed service that is excellent, courteous, and compassionate.

Date: February 25, 2019

To: Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Committee on Finance

From: Suzie Schulberg
POLICY ADVISORY BOARD FOR ELDERLY AFFAIRS (PABEA)

Hearing: Tuesday, February 26, 2019, 11:00am

Subject: HB 469, HD1 Relating to Hearing Aids

Position: PABEA **supports** HB 469, HD1 which requires health insurance policies and contracts issued after 12/31/19 to provide coverage for 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 Policy Advisory Board for Elderly Affairs (PABEA) has a statutory obligation to advocate on behalf of senior citizen of Hawaii. While we advise the Executive Office on Aging, we do not speak on behalf of the Executive Office on Aging.

This testimony is in strong support of HB 469, HD1, which requires health insurance policies and contracts issued after 12/31/19 to provide coverage for 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 inability to hear well can lead to an individual's withdrawal from social interaction which itself is believed to shorten life expectancy as much as physical illness. It is vitally important that individuals be able to hear well so that they can continue to enjoy all the activities that are important to them. Please ensure that this bill is moved forward.
Thank

Thank you for giving PABEA the opportunity to submit testimony.



February 25, 2019

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

Re: HB 469, HD1 – Relating to Hearing Aids

Dear Chair Luke, Vice Chair Cullen, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 469, HD1, which requires health insurance policies and contracts issued after 12/31/19 to provide coverage for the cost of hearing aids for each hearing-impaired ear every thirty-six months in their base plans.

HMSA appreciates the intent of HB 469, HD1, as the cost of hearing aid devices can be a significant expenditure for individuals and families. HMSA's commercial plans currently provide coverage for hearing aid replacements at the rate of one hearing aid per ear every sixty months. With respect to this Bill, HMSA has the following comments and concerns:

- We have concerns with including a minimum benefit amount per device. The decision on the type of device a member may require should be based primarily on medical necessity rather than the cost. The Committee may wish to consider using “medically appropriate hearing aid models (analog, digital, digitally programmable) with standard features,” instead of a fixed dollar amount.
- We respectfully would like to bring to the Committee's attention the fact that Medicare plans are preempted by federal law from any state mandated coverage.
- The Committee may want to consider amending Section 2(f) and Section 3(f) to require notification of policy change be provided to members through their plan's website. This tends to be more accessible, efficient, and timely for individual members than mailing written notices of policy change.
- Finally, this Bill proposes to create a new mandated health benefit and therefore would require a formal auditor's report pursuant to HRS 23-51, to assess what the social and financial costs would be if a mandated minimum cost was ascribed with the hearing aid benefit, which was not included in the previous audit conducted in 2014.



Thank you for allowing us to testify on HB 469, HD1. Your consideration of our comments is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Pono Chong", with a long, sweeping flourish extending to the right.

Pono Chong
Vice President, Government Relations



February 25, 2019

The Honorable Sylvia Luke, Chair
The Honorable Ty J.K. Cullen, Vice Chair
House Committee on Finance

House Bill 469 HD1 – Relating to Hearing Aids

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to testify on HB 469, HD1, which requires health insurance policies and contracts issued after 12/31/19 to provide coverage for the cost of hearing aids for each hearing-impaired ear every thirty-six months in their base plans.

While we appreciate the intent of this measure, we believe that the decision on the type of device a patient may require should be based on medical necessity rather than a mandatory minimum cost. Moreover, most health plans in Hawaii already offer coverage for hearing aids for their members.

We would also like to respectfully comment that Medicare plans are preempted by federal law and this measure may not have the intended impact.

Finally, if this bill should move forward, we believe that this is a new mandated benefit subject to an impact assessment report by the State Auditor pursuant to Sections 23-51 of the Hawaii Revised Statutes. A previous audit conducted in 2014 did not address social and financial costs related to a mandated minimum benefit for hearing aids.

Thank you for allowing us to testify expressing concerns on HB 469, HD1.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members

PETER L. FRITZ

TELEPHONE (SPRINT IP RELAY): (808) 568-0077
E-MAIL: PLFLEGIS@FRITZHQ.COM

HOUSE OF REPRESENTATIVES THE THIRTIETH LEGISLATURE REGULAR SESSION OF 2019

COMMITTEE ON FINANCE
Testimony on H.B. 469 HD1
Hearing: February 26, 2019

RELATING TO HEARING AIDS

Chair Luke, Vice Chair Cullen, and members of the Committee. My name is Peter Fritz. I use hearing aids. I am testifying **in support** of this bill. Poor hearing is an unmistakable health hazard, threatening mind, life and limb and it could cost health insurers much more than it would to provide hearing aids and services for individuals with a hearing loss.

This bill would require health insurance policies and contracts to provide coverage for the cost of hearing aids for each hearing-impaired ear every thirty-six months in their base plans.

According to a recent article in the Journal of the American Medical Association (“JAMA”), poor hearing is an unmistakable health hazard, threatening mind, life and limb and it could cost health insurers much more than it would to provide hearing aids and services for individuals with a hearing loss.¹

About 85 percent of those with hearing loss are untreated. For older adults alone, this increased health care costs by 46 percent over a period of 10 years, compared with costs incurred by those without hearing loss, according to an article in JAMA Otolaryngology Head and Neck Surgery.²

In a study that covered 154,414 adults 50 and older who had health insurance claims, researchers at Johns Hopkins found that untreated hearing loss increased the risk of developing dementia by 50 percent and depression by 40 percent in just five years when compared to those without hearing loss.³

The analysis of the voluminous data linked untreated hearing loss to more and longer hospitalizations and readmissions and more visits to an emergency room.⁴ Within 10 years, untreated hearing loss accounted for 3.2 percent of all cases of dementia, 3.57 percent of people significantly injured in a fall, and 6.88 percent of those seeking treatment for depression. The percentages may seem small, but given how common these conditions are, they affect a very large number of individuals, resulting in great personal, financial and societal costs.

¹ JAMA Otolaryngol Head Neck Surg. 2019;145(1):36-43. doi:10.1001/jamaoto.2018.2876

² Id.

³ JAMA Otolaryngol Head Neck Surg. 2019;145(1):27-34. doi:10.1001/jamaoto.2018.2875

⁴ Id.

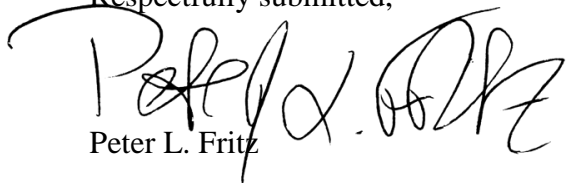
Why Hearing Loss Should be Treated

- There is a heavier load on the brain when it's forced to use too much of its capacity to process sound. Our brains are not designed for multitasking.
- Hearing loss is not a just a volume issue. It's a quality-of-sound issue. Certain parts of words drop out and speech sounds like mumbling. A garbled message is sent to the brain that it has to work harder to decode.
- When information is not heard clearly, it impedes memory. A good clear auditory signal is more easily remembered. The key to memory is paying attention. The brain cannot stay focused on the words when it is working overtime to decode the signal.
- May reduce claims from falls. Hearing loss often goes hand-in-hand with balance issues. We use our ears to position ourselves in space. When people cannot hear well, they are less aware of sounds around them. They may fall when startled by someone or something that seems to come silently from behind

I respectfully ask for your support of this bill.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

HB-469-HD-1

Submitted on: 2/22/2019 4:51:25 PM

Testimony for FIN on 2/26/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joy Marshall	Individual	Support	No

Comments:

HB-469-HD-1

Submitted on: 2/24/2019 9:15:20 PM

Testimony for FIN on 2/26/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Ching, MD, MPH	Individual	Support	No

Comments:

Dear Representative Luke and members of the committee,

I **support** HB469 because of its potential for improving the public health. As a developmental behavioral pediatrician, I see children who have developmental disabilities in early childhood. Some of these children are born with congenital hearing issues, and they are at high risk for lifelong problems with communication. Having adequate hearing aids may help them learn to communicate effectively. This will help them finish schooling, join the workforce, participate in the community, and become future taxpayers. Adequate hearing in childhood can prevent lifelong disability. Thank you for the opportunity to provide testimony.

Respectfully,

Michael Ching, MD, MPH, FAAP

HB-469-HD-1

Submitted on: 2/25/2019 11:48:19 AM

Testimony for FIN on 2/26/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea Quinn	Individual	Support	No

Comments:

Dear Honorable Committee Members:

Please support HB469. Hearing has a tendency to change throughout a person's life, The bill will not only help people with hearing problems hear better, but also help them to feel less isolated, since hearing is so important to communication.

Thank you for the opportunity to present my testimony.

Sincerely,

Andrea Quinn

Kihei

FIN-Jo

From: Eileen Chiwa <echiwa@gmail.com>
Sent: Sunday, February 24, 2019 1:38 PM
To: FINtestimony
Subject: HOUSE BILL 469, HD1 TESTIMONY

February 24, 2019

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

Tuesday, February 26, 2019 at 11:00 AM
Conference Room 308, State Capitol

RE: House Bill 469, House Draft 1 RELATING TO HEARING AIDS

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance:

My name is Eileen Chiwa and I am Deaf and have been since birth. I have worn hearing aid(s) since I was six years old. I am submitting my testimony in full support of House Bill 469, HD1 which will require coverage for the cost of hearing aids up to an unspecified amount for each hearing-impaired ear with replacements every thirty-six months.

Hearing aids are very expensive. Sometimes they cost over \$5,000 for each device and health insurance coverage for hearing aids is usually minimal. As a result, many people who need hearing aids do not have them or are stuck using old devices.

I am currently retired and am no longer wearing hearing aid(s). It would be too costly for me to purchase them. I really miss "hearing" again & already felt deprived of it.

House Bill 469, HD1 will make hearing aids more affordable for individuals who need them and allow the devices to be kept up-to-date. Please vote in support of this bill.

Mahalo for the opportunity to submit testimony.

Sincerely,
Eileen Chiwa
Mililani, HI

FIN-Jo

From: S S <soshimizu@gmail.com>
Sent: Saturday, February 23, 2019 10:30 PM
To: Rep. Sylvia Luke; FINtestimony
Subject: Finance Committee for HB 469 for Hearing aids on 2/26/19 @ 11am.

Dear Honorable Representative Sylvia Luke and Finance Committee,

My name is Sherry Shimizu and I am a resident of Pearl City; I am a deaf person submitting my testimony for House Bill 469 relating to insurance coverage for hearing aids. This is needed to help us pay for Hearing Aids, because so we can work, live every day, and cannot afford expensive Hearing Aids.

House Bill 469 will require coverage for the cost of hearing aids up to \$1,500 for each ear with replacements every thirty-six months. Again, Hearing aids are very expensive. Sometimes they cost over \$4,000 for each device and health insurance coverage for hearing aids is usually limited. As a result, many people who need hearing aids do not have them or are stuck using old devices. This bill will make hearing aids more affordable for individuals who need them and allow the devices to be kept up-to-date.

Mahalo for the opportunity to submit testimony. Please vote in support of this House Bill 469 to be passed by your committee and I hope for your support.

Sincerely,
Sherry Shimizu
Pearl City

HB-469-HD-1

Submitted on: 2/25/2019 4:17:33 PM

Testimony for FIN on 2/26/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara J. Service	Individual	Support	No

Comments:

Please pass HB469 to increase coveragefor hearing aids.

Individuals who can't hear well are more apt to withdraw from social situations. Isolation is now considered by some to be as detrimental to health and life expectancy as smoking 15 cigarettes a day.

Kaiser, in its testimony, expressed concern that placing a monetary amount on coverage will "divert the focus away from medical care.....". If hearing can be corrected or enhanced through medical equipment, that should be considered medical care.

From: Laura Tanigawa <lauriat63@gmail.com>
Sent: Monday, February 25, 2019 2:57 PM
To: FINtestimony
Subject: House Bill 469

Sent from my iPhone

My name is Laura Tanigawa and I support House Bill 469 concerning health insurance paying up to 1500 dollars per hearing aid.

I am blind as well as having hearing loss that requires hearing aids but I do not have one because I cannot afford them. This makes it difficult to hear and I miss out in hearing important information.

Passing House Bill 469 will help in getting hearing aids

Please consider making House Bill 469 into law.

Thank you

Laura Tanigawa