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**Testimony of the Department of Commerce and Consumer Affairs**

**Before the  
House Committee on Health  
Tuesday, February 5, 2019  
9:00 a.m.  
State Capitol, Conference Room 329**

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

Chair Mizuno 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

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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, this bill contains a minimum benefit of \$1,500 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.



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

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**ON THE FOLLOWING MEASURE:**

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

**BEFORE THE:**

HOUSE COMMITTEE ON HEALTH

**DATE:** Tuesday, February 5, 2019

**TIME:** 9:45 a.m.

**LOCATION:** State Capitol, Room

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

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Chair Mizuno 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.



## DISABILITY AND COMMUNICATION ACCESS BOARD

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**LATE**

February 5, 2019

### TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH

#### House Bill 469 - Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports House Bill 469 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 in functioning in their daily lives.

Thank you for the opportunity to testify.

Respectfully submitted,

FRANCINE WAI  
Executive Director



February 5, 2019

The Honorable John M. Mizuno, Chair  
The Honorable Bertrand Kobayashi, Vice Chair  
House Committee on Health

Re: HB 469 – Relating to Hearing Aids

Dear Chair Mizuno, Vice Chair Kobayashi, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 469, which 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.

HMSA appreciates the intent of HB 469, 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 of \$1500 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 also have serious concerns with Section 2(c) regarding hearing aid devices that exceed the proposed \$1500 benefit; this Bill suggests that the member may seek a device that exceeds the \$1500 benefit limit but would not be held responsible for the difference in cost; it is unclear who then would be responsible for that cost.
- The Committee may want to consider amending Section 2(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 (\$1500) was ascribed with the hearing aid benefit.



Thank you for allowing us to testify on HB 469. 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

# PETER L. FRITZ

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## HOUSE OF REPRESENTATIVES THE THIRTIETH LEGISLATURE REGULAR SESSION OF 2019

### COMMITTEE ON HEALTH

Testimony on H.B. 469  
Hearing: February 5, 2017

#### (RELATING TO HEARING AIDS)

Chair Mizuno, Vice Chair Kobayashi and members of the Committee. My name is Peter Fritz. I use hearing aids. I am testifying **in support** of this bill. Lowering the barrier to treating hearing loss can result in lower health costs.

#### **Treating Hearing Loss Can Lower Health Costs**

- Untreated hearing loss may contribute to greater health care costs and utilization. Lowering the cost for treatment of hearing loss may result in lower health Insurance premiums for everyone.
- Hearing loss itself is not very expensive, the effect of hearing loss on everything else is expensive. This bill would lower barrier to purchase of hearing aids which will reduce the cost of providing medical care to persons with hearing loss. Individuals with untreated hearing loss experience higher health care costs and utilization patterns compared with adults without hearing loss.
- Untreated hearing loss results in higher health care costs and a higher risk of 30-day hospital readmission over a 10-year period. Untreated hearing loss results in more and longer hospitalizations and readmissions and more visits to an emergency room.<sup>1</sup>
- 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.<sup>2</sup>
- Over a 10-year period 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.
- With respect to 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.

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

<sup>2</sup> Ibid.



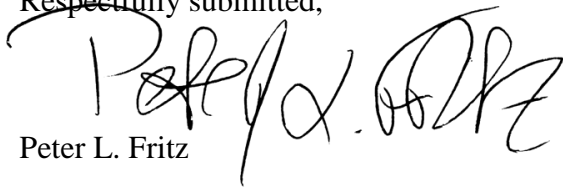
### **Benefits of Treating Hearing Loss**

- 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.
- Treatment of hearing loss improves communication.

I respectfully ask for your support of this bill.

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

**HB-469**

Submitted on: 2/4/2019 9:05:36 AM

Testimony for HLT on 2/5/2019 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jalin Finai	Individual	Support	No

Comments:

I am a mother of a child who was born with severe hearing loss in both ears that has required her to use hearing aids from the time she was 3 months old which allowed her to access sound. I urge you to support HB469 which would require insurance companies to cover some hearing aid costs. Hearing aids can be costly, and I worry that when my daughter gets older, the costs of her hearing aids will cause a heavy financial burden. Her hearing aids are essential for her to communicate and without it, she would be unable to communicate with family, friends, and educators. It has been shown that people with hearing loss that don't get hearing aids or other amplification devices, have a poorer quality of life. As a mother, I just want her to have the best life possible, and I know that hearing aids are essential for this. She has a bright future ahead, and I do not want any of her hopes and dreams to be limited by an inability to access sound. I know that many people would benefit from this bill, as there are many of our kupuna suffering with hearing loss, but can not afford hearing aids. This bill would make the opportunity to obtain hearing aids more realistic for many of these kupuna. I urge you to support this bill and thank you for your support.

Best Regards,

Jalin K.A. Finai

**HB-469**

Submitted on: 2/1/2019 5:17:49 PM

Testimony for HLT on 2/5/2019 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lynn Murakami-Akatsuka	Individual	Support	No

Comments:

Dear Committee,

I strongly support the passage of HB 469 which is a companion to the SB 1027 which I also submitted in support its passage.

Thank you for the opportunity to testify.

Lynn Murakami-Akatsuka

**HB-469**

Submitted on: 2/1/2019 4:20:09 PM

Testimony for HLT on 2/5/2019 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Victor K. Ramos	Individual	Support	No

Comments:

Technology is very expensive for most people.

**LATE**

**HB-469**

Submitted on: 2/4/2019 5:59:59 PM  
Testimony for HLT on 2/5/2019 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Susan Kroe-Unabia	Isle Interpret, LLC	Support	No

Comments:

Dear Chair Mizuno,

Isle Interpret, LLC is submitting this testimony in support of HB 469 requiring insurance companies to provide at minimum coverage for hearing aids up to \$1,500 per ear with replacements every thirty-six months.

Hearing aids are extremely expensive and current insurance is limited requiring a large co-pay that prevents many persons and families from obtaining hearing aids that would improve their access to information, quality of education, communication abilities, quality of life, and employment opportunities. They are often limited to using old devices that do not work well, or simply forgo being able to hear fully. This is an undue hardship on these individuals and their families.

HB 469 will make hearing aids more affordable for deaf and hard of hearing persons who need them and will allow them to keep their devices updated as technology improves. The impact of this bill will affect a large segment of our society in every age bracket. We urge you to vote in support of this bill.

Mahalo nui loa for the opportunity to submit testimony.

Warm regards,

Tamar Lani, President

Susan Kroe-Unabia, Vice-President

**LATE**

**HB-469**

Submitted on: 2/5/2019 7:59:57 AM

Testimony for HLT on 2/5/2019 9:45:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: