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DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Health, Human Services, and Homelessness
Thursday, February 4, 2021
9:00 a.m.
Via Videoconference**

**On the following measure:
H.B. 839, RELATING TO HEARING AIDS**

Chair Yamane and Members of the Committee:

My name is Colin M. 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 purposes of this bill are to: (1) require health insurance policies and contracts issued after 12/31/21 to provide coverage for the cost of hearing aids at a minimum of \$1,500 per hearing aid for each hearing-impaired ear every 36 months in their base plans; and (2) exempt mandatory health coverage from an impact assessment report.

This bill may create a new mandate. As such, the Committee may wish to clarify that this bill applies to health policies issued or renewed in this state only after either: (1) the Department receives confirmation from the federal Department of Health and Human Services (HHS) that the expansion of coverage specified in this bill does not

constitute an additional benefit that requires defrayal¹ by the State; or (2) more than 365 days have passed since the Department submitted its determination and request for confirmation to the HHS that the coverage specified in this bill is not an additional benefit and that the HHS has failed to respond to the request.

For the Committee's information, Hawaii Revised Statutes section 23-51 provides, in part, that "[b]efore any legislative measure that mandates health insurance coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report[.]" Although page 3, lines 3 through 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 36 months, whereas S.B. 309 contained no benefit limitations.

Thank you for the opportunity to testify on this bill.

¹ 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.



DISABILITY AND COMMUNICATION ACCESS BOARD

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FEBRUARY 4, 2021

TESTIMONY TO THE HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, AND HOMELESSNESS

House Bill 839 – Relating to Hearing Aids

The Disability and Communication Access Board (DCAB) supports House Bill 839, which requires health insurance policies and contracts issued after 12/31/21 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.

This bill would reduce the cost burden associated with purchasing hearing aids. Currently, private health insurance plans provide partial coverage for eyeglasses to correct vision, and some provide partial coverage for hearing aids through a private insurance carrier. Hearing is an equally important sense upon which an individual depends for communication. According to the Hearing Loss Association of America, two-thirds of Americans have hearing loss by the time they reach their 70s. Moreover, there are academic studies demonstrating how hearing loss increases the risk of cognitive problems, including dementia. Increasing the affordability of hearing aids for individuals with hearing loss is an important step toward addressing this troubling trend. Please pass this bill out of Committee.

Thank you for the opportunity to testify.

Respectfully submitted,

KIRBY L. SHAW
Executive Director



February 4, 2021

The Honorable Ryan I. Yamane, Chair
The Honorable Adrian K. Tam, Vice Chair
House Committee on Health, Human Services, & Homelessness

House Bill 839 – Relating to Hearing Aids

Dear Chair Yamane, Vice Chair Tam, and Members of the Committee:

The Hawaii Association of Health Plans (HAHP) appreciates the opportunity to testify on HB 839, which requires health insurance policies and contracts issued after 12/31/21 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. It also exempts mandatory health care coverage from impact assessment report.

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 and 23-53 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 839.

Sincerely,

HAHP Public Policy Committee

cc: HAHP Board Members



February 4, 2021

The Honorable Ryan I. Yamane, Chair
The Honorable Adrian K. Tam, Vice Chair
House Committee on Health, Human Services, & Homelessness

Re: HB 839 – Relating to Hearing Aids

Dear Chair Yamane, Vice Chair Tam, and Committee Members:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 839, which requires health insurance policies and contracts issued after 12/31/21 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. It also exempts mandatory health care coverage from an impact assessment report.

While we appreciate the intent of this measure, 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. However, HMSA respectfully opposes this bill and we offer 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 cost. The committee may wish to consider using "medically necessary 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.
- The measure 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.
- Furthermore, in the report produced by the Auditor in 2014, it was reported that SB309, SD 1, would not change the status quo concerning coverage for hearing aids. Therefore, we respectfully recommend the Legislature not pass this measure.



Thank you for allowing us to testify in opposition to HB 839. Your consideration of our comments is appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew W. Sasaki". The signature is fluid and cursive, with the first name "Matthew" being more prominent than the last name "Sasaki".

Matthew W. Sasaki
Director, Government Relations

HB-839

Submitted on: 2/2/2021 2:13:00 PM

Testimony for HHH on 2/4/2021 9:00:00 AM

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

Comments:

Dear Honorable Committee Members:

Please support HB839.

Thank you,

Andrea Quinn

PETER L. FRITZ

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HOUSE OF REPRESENTATIVES THE THIRTY-FIRST LEGISLATURE REGULAR SESSION OF 2021

COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Testimony on H.B. 839
Hearing: February 4, 2021

RELATING TO HEARING AIDS

Chair Yamane, Vice Chair Tam, 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. Because many people are now wearing masks, people are discovering that they have a hearing loss. This bill could make hearing aids more affordable.

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. Providing a benefit could help make hearing aids more affordable and would help more people be treated for their hearing loss.

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 3.57 percent of people significantly injured in a fall, and 6.88 percent accounted for 3.2 percent of all cases of dementia, significantly injured in a fall, and 6.88 percent of those seeking treatment for depression.

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.

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.

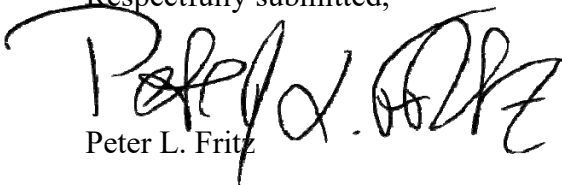
Why Hearing Loss Should be Treated

- Treating hearing loss could reduce healthcare costs. Research has shown that treating hearing loss could result in reduce claims.
- 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.
- 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.
- 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.

I respectfully ask for your support of this bill.

Thank you for the opportunity to testify.

Respectfully submitted,


Peter L. Fritz