

JAN 23 2015

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 of a custom low- to
9 mid-level analog or digital hearing aid begins around \$2,000 or
10 less, and the cost of a high-end hearing aid is around \$3,000 or
11 higher. Some people with a permanent conductive hearing loss,
12 for whom conventional hearing aids are not appropriate, may
13 benefit from amplification through bone conduction hearing aids,
14 which can cost over \$3,000. Furthermore, about 50 per cent of
15 childhood hearing loss is due to genetic causes, meaning that
16 more than one member in a family may need to wear hearing aids,



1 thereby multiplying the financial hardship caused by the cost of
2 purchasing hearing aids.

3 Currently, most health insurance plans in Hawaii cover the
4 purchase of hearing aids, but the amount of coverage may be low.
5 As a result, it is not unusual for people with hearing loss to
6 choose to delay purchase or forgo the purchase of hearing aids
7 because they are unable to pay for them. A 2005 study by the
8 Better Hearing Institute, estimated that untreated hearing loss
9 resulted in a loss of income per household of up to \$12,000 per
10 year. Hawaii QUEST and medicaid plans cover hearing aid
11 purchases every two to three years and hearing aid evaluations,
12 selection and fitting, hearing aid checks, hearing testing, ear
13 molds, repairs, and batteries. However, federal medicare
14 insurance plans do not cover hearing aid purchases and only
15 cover hearing testing.

16 According to the American Speech-Language-Hearing
17 Association, twenty states currently mandate insurance coverage
18 for hearing aids. In states that specify the frequency of
19 replacing hearing aids, the range is every two to five years,
20 with thirteen states requiring replacement every three years.
21 Fifteen states have parameters on the costs that the insurance



1 companies must provide, ranging from \$1,400 to \$4,000 per ear or
2 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 (2014). 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 co-payment, 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 431:10A, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 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 contract, plan, or agreement issued or renewed in this State
2 after December 31, 2015, other than an accident-only, specified
3 disease, hospital indemnity, medicare supplement, long-term
4 care, dental, vision, or other limited benefit health insurance
5 policy, shall provide, not as an employer option, coverage for
6 the cost of hearing aids for the policyholder and individuals
7 covered under the policy, contract, plan, or agreement.

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

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

20 (e) As of January 1, 2016, to the extent that the
21 mandatory benefit requires benefits that exceed the essential



1 health benefits specified under section 1302(b) of the Patient
2 Protection and Affordable Care Act of 2010 (P.L. 111-148), the
3 specific benefits that exceed the specified essential health
4 benefits shall not be required of a qualified health plan when
5 the plan is offered in this State through the Hawaii health
6 insurance exchange by a health carrier. Nothing in this section
7 shall nullify the application of the mandatory benefit to plans
8 offered outside the Hawaii health insurance exchange.

9 (f) Coverage required under this section may be subject to
10 deductibles, copayments, coinsurance, or annual or maximum
11 payment limits that are consistent with deductibles, copayments,
12 coinsurance, and annual or maximum payment limits applicable to
13 other similar coverage under the policy, contract, plan, or
14 agreement.

15 (g) Every insurer shall provide notice to its
16 policyholders regarding the coverage required by this section.
17 The notice shall be in writing and prominently positioned in any
18 literature or correspondence sent to policyholders and shall be
19 transmitted to policyholders within calendar year 2015 when
20 annual information is made available to policyholders, or in any



1 other mailing to policyholders, but in no case later than
2 December 31, 2015.

3 (h) For the purposes of this section, "hearing aid" shall
4 have the same meaning as in section 451A-1 and includes
5 conventional and bone conduction hearing aids."

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

9 "§432:1- Coverage of hearing aids. (a) Each individual
10 and group hospital or medical service plan, policy, contract, or
11 agreement issued or renewed in this State after December 31,
12 2015, shall provide, not as an employer option, coverage for the
13 cost of hearing aids for the member and individuals covered
14 under the individual and group hospital or medical service plan,
15 policy, contract, or agreement.

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

19 (c) The members and individuals covered under the policy,
20 contract plan, or agreement may choose a hearing aid that is
21 priced higher than the benefit payable under this section



1 without financial or contractual penalty to the provider of the
2 hearing aid.

3 (d) This section does not prohibit an entity subject to
4 this section from providing coverage that is greater or more
5 favorable to the member and individuals covered under the
6 policy, contract plan, or agreement.

7 (e) As of January 1, 2016, to the extent that the
8 mandatory benefit requires benefits that exceed the essential
9 health benefits specified under section 1302(b) of the Patient
10 Protection and Affordable Care Act of 2010 (P.L. 111-148), the
11 specific benefits that exceed the specified essential health
12 benefits shall not be required of a qualified health plan when
13 the plan is offered in this State through the Hawaii health
14 insurance exchange by a health carrier. Nothing in this section
15 shall nullify the application of the mandatory benefit to plans
16 offered outside the Hawaii health insurance exchange.

17 (f) Coverage required under this section may be subject to
18 deductibles, copayments, coinsurance, or annual or maximum
19 payment limits that are consistent with deductibles, copayments,
20 coinsurance, and annual or maximum payment limits applicable to



1 other similar coverage under the individual and group hospital
2 or medical service plan, policy, contract, or agreement.

3 (g) Every mutual benefit society shall provide notice to
4 its members regarding the coverage required by this section.

5 The notice shall be in writing and prominently positioned in any
6 literature or correspondence sent to members and shall be
7 transmitted to members within calendar year 2015 when annual
8 information is made available to policyholders, or in any other
9 mailing to members, but in no case later than December 31, 2015.

10 (h) For the purposes of this section, "hearing aid" shall
11 have the same meaning as in section 451A-1 and includes
12 conventional and bone conduction hearing aids."

13 SECTION 4. Section 432D-23, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§432D-23 Required provisions and benefits.**

16 Notwithstanding any provision of law to the contrary, each
17 policy, contract, plan, or agreement issued in the State after
18 January 1, 1995, by health maintenance organizations pursuant to
19 this chapter, shall include benefits provided in sections
20 431:10-212, 431:10A-115, 431:10A-115.5, 431:10A-116, 431:10A-
21 116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119, 431:10A-120,



1 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126, [~~431:10A-~~
2 ~~122, and 431:10A-116.2,~~] and 431:10A-, and chapter 431M."

3 SECTION 5. The benefit to be provided by health
4 maintenance organizations corresponding to the benefit provided
5 under section 431:10A- , Hawaii Revised Statutes, as contained
6 in the amendment to section 432D-23, Hawaii Revised Statutes, in
7 section 4 of this Act, shall take effect for all policies,
8 contracts, plans, or agreements issued in the State after
9 December 31, 2015.

10 SECTION 6. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

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

13

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Report Title:

Health Insurance Coverage; Hearing Aids

Description:

Requires health insurance policies and contracts issued after 12/31/15 to provide coverage for the cost of hearing aids up to \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months.

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

