

JAN 22 2021

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
6 one-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 also 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 copayment. 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



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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 (S.B. No. 309).
7 The auditor found that most insurance plans in Hawaii already
8 covered or planned to cover the cost of hearing aids by 2015 and
9 that although the coverage levels at that time might require a
10 large co-payment, those insurance plans would have complied with
11 S.B. No. 309, had it been enacted. The legislature notes that
12 the auditor's report expressed concerns that S.B. No. 309, had
13 no limits on coverage, such as minimum or maximum costs covered
14 by insurers or frequency of placement. This Act addresses these
15 concerns and includes a minimum coverage benefit of \$1,500 per
16 hearing aid for each hearing-impaired ear every thirty-six
17 months. A second impact assessment report is therefore
18 unnecessary.

19 The purpose of this Act is to require health insurance
20 coverage in the State for hearing aids for all types of hearing



1 loss and specify the minimum amount of coverage and frequency
2 for replacement of hearing aids under the coverage.

3 SECTION 2. Chapter 431, Hawaii Revised Statutes, is
4 amended by adding a new section to article 10A to be
5 appropriately designated and to read as follows:

6 "§431:10A- Coverage for hearing aids. (a) Each policy
7 of individual and group accident and health or sickness
8 insurance issued or renewed in the State after December 31,
9 2021, shall provide coverage for the cost of hearing aids for
10 the policyholder and individuals covered under the policy.

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

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

18 (d) This section does not prohibit an insurer 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.



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.

6 (f) Every insurer shall provide notice to its
7 policyholders regarding the coverage required by this section.
8 The notice shall be in writing and prominently positioned in any
9 literature or correspondence sent to policyholders and shall be
10 transmitted to policyholders within calendar year 2021 when
11 annual information is made available to policyholders, or in any
12 other mailing to policyholders, but in no case later than
13 December 31, 2021.

14 (g) This section shall not apply to limited benefit health
15 insurance as provided in section 431:10A-607.

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

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



1 "§432:1- Coverage of hearing aids. (a) Each individual
2 and group hospital or medical service plan contract issued or
3 renewed in the State after December 31, 2021, shall provide
4 coverage for the cost of hearing aids for the member and
5 individuals covered under the individual and group hospital or
6 medical service plan contract.

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

10 (c) The members and individuals covered under the plan
11 contract may choose a hearing aid that is priced higher than the
12 benefit payable under this section without financial or
13 contractual penalty to the provider of the hearing aid.

14 (d) This section does not prohibit a mutual benefit
15 society subject to this section from providing coverage that is
16 greater or more favorable to the member and individuals covered
17 under the individual and group hospital or medical service plan
18 contract.

19 (e) Coverage required under this section may be subject to
20 deductibles, copayments, coinsurance, or annual or maximum
21 payment limits that are consistent with deductibles, copayments,



1 coinsurance, and annual or maximum payment limits applicable to
2 other similar coverage under the individual and group hospital
3 or medical service plan contract.

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

6 The notice shall be in writing and prominently positioned in any
7 literature or correspondence sent to members and shall be
8 transmitted to members within calendar year 2021 when annual
9 information is made available to policyholders, or in any other
10 mailing to members, but in no case later than December 31, 2021.

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

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

16 **"§432D-23 Required provisions and benefits.**

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



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1 431:10A-116.2, 431:10A-116.5, 431:10A-116.6, 431:10A-119,
2 431:10A-120, 431:10A-121, 431:10A-122, 431:10A-125, 431:10A-126,
3 431:10A-132, 431:10A-133, 431:10A-134, 431:10A-140, and
4 [~~431:10A-134~~] 431:10A-_____, and chapter 431M."

5 SECTION 5. The benefit to be provided by health
6 maintenance organizations corresponding to the benefit provided
7 under section 431:10A-_____, Hawaii Revised Statutes, as contained
8 in the amendment to section 432D-23, Hawaii Revised Statutes, in
9 section 4 of this Act, shall take effect for all policies,
10 contracts, plans, or agreements issued in the State after
11 December 31, 2021.

12 SECTION 6. Section 23-51, Hawaii Revised Statutes, shall
13 not apply to this Act.

14 SECTION 7. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect on July 1, 2021.

17

INTRODUCED BY: _____



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Report Title:

Deaf and Blind Task Force; Kupuna Caucus; Health Insurance Coverage; Hearing Aids

Description:

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. Exempts mandatory health care coverage from impact assessment report.

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

