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

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

**Before the**  
**Senate Committee on Health and Human Services**  
**Monday, February 3, 2025**  
**1:00 p.m.**

**State Capitol, Conference Room 225 & via Videoconference**

**On the following measure:**  
**S.B. 1494, RELATING TO HEARING AIDS**

Chair San Buenaventura and Members of the Committee:

My name is Jerry Bump, and I am the Acting 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 policies and contracts issued on or after 1/1/2026 to provide coverage for the cost of hearing aids at a minimum \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months.

We note that it is unclear whether the amendments in sections 2 through 5 of this bill would be construed as "in addition to the essential health benefits" within the meaning of 45 Code of Federal Regulations (CFR) § 155.170(a), or subject to defrayment provisions under 45 CFR § 155.170(b) which apply to benefits "in addition to the essential health benefits."

For the Committee's information, Hawaii Revised Statutes section 23-51 provides, in part, that "[b]efore any legislative measure that mandates health insurance

Testimony of DCCA

S.B. 1494

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coverage for specific health services, specific diseases, or certain providers of health care services as part of individual or group health insurance policies, [*sic*] can be considered, there shall be concurrent resolutions passed requesting the auditor to prepare and submit to the legislature a report that assesses both the social and financial effects of the proposed mandated coverage.”

Thank you for the opportunity to testify.



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SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES  
The Honorable Joy A. San Buenaventura, Chair  
The Honorable Henry J.C. Aquino, Vice Chair

**S.B. NO. 1494 RELATING TO HEARING AIDS.**

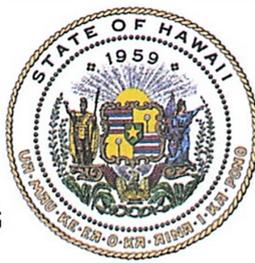
Hearing: Monday, February 3, 2025, 1:00 p.m.

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The Office of the Auditor offers comments on S.B. No. 1494, which will require health insurance policies and contracts to provide minimum coverage of \$1,500 for hearing aids at least every thirty-six months.

As the bill notes, we were asked to assess the social and financial impacts of an identical measure in 2022, S. B. No. 2439, Senate Draft 2. In November of 2022, we informed then-members of the Senate and House that we had ceased our review of the impacts associated with the proposed mandate after we were told that our assessment was unnecessary. For the committee's information, Attachment A is our letter dated November 2, 2022 to Senate President Kouchi and House Speaker Saiki that was copied to all members.

At the time, health insurance policies in Hawai'i covered medically necessary hearing aids; we do not know if that continues today or whether the intent of the proposed mandate is to ensure coverage of those costs, which we were told was not the purpose of the 2022 proposal. We are simply informing the committee that S.B. No. 2439, which is identical to the current bill, proposed to mandate coverage of only the cost of hearing aids and did not mandate coverage of the ancillary costs that the introducers and supporters intended.



November 2, 2022

**VIA EMAIL**

**Attachment A**

The Honorable Ronald D. Kouchi  
President of the Senate  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki  
Speaker of the House of Representatives  
State Capitol, Room 431  
Honolulu, Hawaii 96813

**RE: Senate Concurrent Resolution No. 61, Senate Draft 1, House Draft 1 (2022 Regular Session)**

Dear Mr. President and Mr. Speaker:

We have ceased our assessment of the social and financial effects of mandating health insurance coverage for hearing aids requested by Senate Concurrent Resolution No. 61, Senate Draft 1, House Draft 1 (2022 Regular Session).<sup>1</sup>

Senate Bill No. 2439, Senate Draft 2 (2022 Regular Session) (SB2439, SD2), proposes to require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for the cost of hearing aids, subject to, among other things, a minimum benefit of \$1,500 per hearing-impaired ear every 36 months. It is our understanding that this legislative measure was part of the Blind and Deaf Task Force's bill package and was strongly supported by the Kūpuna Caucus.

We are informed that the cost of hearing aids is, generally, currently covered under health insurance policies issued in the state when deemed to be medically necessary. We also understand from discussions with the Kūpuna Caucus, including Senator Sharon Y. Moriwaki and Representative Troy N. Hashimoto, their intent for the proposed mandated health insurance coverage was to not only include the cost of hearing aid devices, but also additional associated costs, such as fitting adjustments, repairs, and batteries, which currently may not be covered. However, SB2439, SD2, does not propose mandating health insurance coverage for any costs other than the cost of hearing aid devices. Pursuant to Section 23-52, Hawaii Revised Statutes,

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<sup>1</sup> Section 23-51, Hawaii Revised Statutes, requires passage of a concurrent resolution requesting an impact assessment by the Auditor before any legislative measure mandating health insurance coverage for a specific health service, disease, or provider can be considered. Section 23-52, Hawaii Revised Statutes, provides a list of the social and financial impacts that must be assessed by the Auditor.

The Honorable Ronald D. Kouchi  
The Honorable Scott K. Saiki  
November 2, 2022  
Page 2

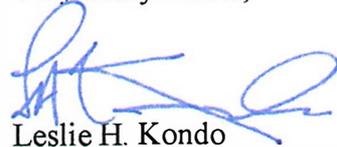
the Office of the Auditor's assessment is limited to the proposed mandatory health insurance in the designated bill.

According to the Kūpuna Caucus and Senator Moriwaki, they intend to introduce a new bill during the 2023 Regular Session to mandate health insurance coverage for costs *other than or in addition to* the cost of hearing aid devices. Accordingly, the Kūpuna Caucus and Senator Moriwaki have advised the Office of the Auditor that an assessment of the social and financial impacts of mandating insurance coverage for hearing aids as proposed in SB2439, SD2, is unnecessary.

Considering this information, we have ceased our assessment and will redirect staff resources to other projects.

If you have any questions or concerns, please contact me.

Very Truly Yours,



Leslie H. Kondo  
State Auditor

cc: Members of the Senate  
Members of the House of Representatives  
Carol Taniguchi, Senate Chief Clerk  
Brian Takeshita, House Chief Clerk

February 3, 2025

Testimony of Eleanor Macdonald  
Submitted to the Hawaii State Senate  
HEALTH & HUMAN SERVICES COMMITTEE

Honorable Senator Joy A. San Buenaventura, Chair  
Honorable Senator Henry J.C. Aquino, Vice Chair

Re: SB1494, Relating to Hearing Aids, Insurance

Dear Chair, Vice Chair and Members,

I would like to enthusiastically support SB 2439, Relating to Hearing Aids and insurance coverage.

This legislation would require individual and group health insurers to provide coverage of prescription and over-the-counter hearing aids for individuals who are experiencing hearing loss, but unable to afford the high cost of hearing aids.

At this writing, there are five (5) states (Arkansas, Connecticut, Illinois, New Hampshire and Rhode Island) that currently mandate coverage of hearing aids for both children and adults, “potentially exceeding \$1,500.” This coverage by health insurance companies helps to avoid the much higher cost of treating dementia resulting isolation from family and friends, lack of access to information and eventual atrophy of tissue in the auditory cortex of the brain.

According to The Council for Community & Economic Research, Hawaii is the #1 most expensive state to live in the United States and people throughout the state of Hawaii just cannot afford to pay the high cost for hearing aids.

Please pass this very important bill.

Mahalo,  
Eleanor Macdonald, M.Ed., CRC (ret.)



February 3, 2025

The Honorable Joy A. San Buenaventura, Chair  
The Honorable Henry J.C. Aquino, Vice Chair  
Senate Committee on Health and Human Services

Re: SB 1494 – RELATING TO HEARING AIDS

Dear Chair San Buenaventura, Vice Chair Aquino, and Members of the Committee:

Hawaii Medical Service Association (HMSA) appreciates the opportunity to provide comments on SB 189, which requires health insurance policies and contracts issued on or after 1/1/2026 to provide coverage for the cost of hearing aids at a minimum \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months.

HMSA appreciates the intent of this measure but offers comments regarding the applicability of this measure. Since a majority of Kupuna over 65 are covered by Medicare, which is regulated by federal law, HMSA believes that federal preemption would prevent the state from mandating coverage for this population. We also believe that the decision of the hearing device an individual uses, should be driven by medical necessity and not a mandatory minimum cost.

As identified in the preamble, should this measure move forward, we believe that as a new mandated benefit, it should be subject to an impact assessment report by the State Auditor pursuant to Sections 23-51 and 23-52 of the Hawaii Revised Statutes. An auditor's report was requested by the legislature in 2022 (SCR61 SD1 HD1), but has not yet been received.

Thank you for the opportunity to testify on SB 1494.

Sincerely,

Dawn Kurisu  
Assistant Vice President  
Community and Government Relations

# PETER L. FRITZ

T-Mobile Relay (808) 568-0077

## THE SENATE THE THIRTY-THIRD LEGISLATURE REGULAR SESSION OF 2025

### COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Testimony on S.B. 1494  
Hearing: February 3, 2025

#### RELATING TO HEARING AIDS

Chair San Buenaventura, Vice Chair Aquino and members of the Committee, my name is Peter Fritz. I am an individual with a hearing disability and a hearing aid user. I am testifying **in support** of S.B. 1494 **with an amendment to exclude over-the-counter hearing aids.**

#### **The Definition of Hearing Aid Should Exclude Over the Counter Hearing Aids**

This bill uses the definition of hearing aids in Hawaii Revised Statutes § 451A-1, which regulates Professions and Occupations Hearing Aid Dealers and Fitters. The definition for hearing aid on page 6 lines 1 through 3 should be amended to exclude **over-the-counter (OTC) hearing aids**. Benefits under a health insurance contract should be restricted to hearing aids that are prescribed by a professional which would be medically necessary.

#### **The revised definition would read:**

(h) For the purposes of this section, "hearing aid" shall have the same meaning as defined in section 451A-1 and includes conventional and bone conduction hearing aids **but shall not include over-the-counter hearing aids as defined in 21 U.S.C. 360j(q).**"

**A prescription hearing aid** is any hearing aid that is not an OTC hearing aid. Prescription hearing aids are only available through a licensed hearing health care professional who can program the device to your unique level of hearing loss. These devices may be appropriate for all levels of hearing loss and for all ages based on the indications for use.

Over-the Counter hearing Aids are intended for use by people 18 years of age and older **to help with perceived mild to moderate hearing loss**. OTC hearing aids allow users to control the device settings and customize the device to the user's hearing needs, through tools, tests, or software.

OTC hearing aids are available to consumers over-the-counter without the supervision, involvement, or prescription of a licensed health care professional. OTC hearing aids that meet the FDA's requirements can be purchased in a store or online.

## **Treating Hearing Loss Can Reduce Health Care Costs And Dementia.**

**It could cost health insurers much more than it would cost to provide hearing aids and services for individuals with a hearing loss.**<sup>1</sup> Poor hearing is an unmistakable health hazard, threatening mind, life and limb. For older adults alone, **untreated hearing loss 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.<sup>2</sup>

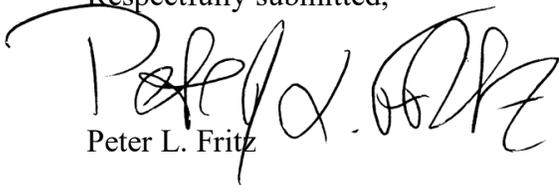
**Untreated Hearing loss is be the largest modifiable risk factor for developing dementia,** exceeding that of smoking, high blood pressure, lack of exercise and social isolation, according to an international analysis published in The Lancet in 2017, Vol. 390, No. 10113.<sup>3</sup> The analysis indicated that **preventing or treating hearing loss in midlife has the potential to diminish the incidence of dementia by 9 percent.** 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.**<sup>4</sup>

**Untreated hearing loss can result in longer hospitalizations, readmissions and more visits to an emergency room.**<sup>5</sup> Untreated hearing loss accounted for 3.57 percent of people significantly injured in a fall, 3.2 percent of all cases of dementia, and 6.88 percent of those seeking treatment for depression for a study covering a 10-year period.

Making hearing aids more available and affordable reduces the financial pressures on Hawaii citizens and families and **can reduce health costs for insurers.**

Thank you for the opportunity to testify.

Respectfully submitted,



Peter L. Fritz

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

<sup>2</sup> JAMA Otolaryngol Head Neck Surg. 2019;145(1):36-43. doi:10.1001/jamaoto.2018.2876.

<sup>3</sup> The Lancet 2017, Vol. 390, No. 10113. [http://dx.doi.org/10.1016/S0140-6736\(17\)31756-7](http://dx.doi.org/10.1016/S0140-6736(17)31756-7)

<sup>4</sup> JAMA Otolaryngol Head Neck Surg. 2019;145(1):36-43. doi:10.1001/jamaoto.2018.2876.

<sup>5</sup> Id.

**SB-1494**

Submitted on: 2/1/2025 7:26:49 PM

Testimony for HHS on 2/3/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sherry Shimizu	Individual	Support	Written Testimony Only

Comments:

Testimony of Sherry Shimizu  
Submitted to the Hawaii State Senate,  
Committee on Health and Human Services (HHS)

Hearing  
Monday, February 3, 2025  
Time 1pm (HST)  
Hawaii State Capitol CR 225 & Videoconference

Re: SB 1494 - Relating to Hearing Aids

February 1, 2025  
Dearest Honorable Senators San Buenaventura (Chair), Aquino (Vice Chair), and Members Hashimoto, Keohokalole, Fevella of Health and Human Services (HHS):

My name is Sherry Shimizu, I am a graduate of Pearl City High School and received a bachelor of science degree at Rochester Institute of Technology in New York with a major in Packaging Science or better known as Engineering and minor is Criminal Justice. I am a resident of Pearl City, Senatorial District 16.

I am testifying today to express my very strong support for SB 1494, which will mandate "health insurance policies and contracts issued on or after 1/1/2026 to provide coverage for the cost of hearing aids at a minimum \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months". This bill is very important to me personally, because I have been Deaf in one ear and hard-of-hearing in the other ear all of my life; I used to use one lateral hearing aid and decided to stop about 8 years ago. Hearing aids are very expensive and I cannot afford new ones, similarly with my family members and friends. My parents, siblings and other family members are also either Hard-of Hearing or Deaf.

I know first-hand the frustration of missing information because I did not hear it clearly; I know first-hand how much hearing aids can and do help in accessing the information I otherwise miss; and I know first-hand how it feels to be told to "Pay Attention!" when I did everything I possibly could to do just that then to be told "nevermind." Adjusting to changes in my hearing, over time, make all this a lifelong challenge.

I know, too, how expensive hearing aids are; the challenges in finding and acquiring the most suitable aids for my own use, as well as after time seeking out a qualified and understanding audiologist, even rarely one who signs. And I certainly know the anguish of sometimes having to give up something I really wanted or needed in order to afford an upgrade to my hearing aids. Over-the-counter (OTC) hearing aids nor so called AirPods do not work for profoundly Deaf people, since much more powerful hearing aids are needed and require adjustments by a professional Audiologist depending on the individual's severe hearing loss. Based on my experience and those of my family and friends' which I just explained, I believe children of school age who want Hearing Aids can and this accommodation contribute to their future success just like me.

Most people with disabilities have resources that help pay for the assistive technology they need: Deaf people are provided with interpreters; Blind people have many resources to access information via speech or braille; Deaf-Blind people have a national program that provides them with the technology they need; and individuals with physical challenges have resources to help pay for durable medical equipment. Individuals who are hard-of-hearing rarely have support to help pay for the most important access devices in their lives, because medical insurance does not cover hearing aids, although it should.

Hearing aids for a hard-of-hearing person are akin to prescription eyeglasses. In both cases a specialized doctor is needed to make a specific prescription, and a licensed provider is needed to provide the technology. Yet prescription eyeglasses are covered by insurance, while hearing aids are not. Hearing aids are not permanent nor invasive and are much cheaper than cochlear implants; cochlear implants are a form of abuse parents do to their children, some babies before they are 1 year old, their brains are surgically cut open and skulls drilled through, imagine not even having a chance of forming to full adult size brains. Google is your friend to look up the video of the actual procedure.

We in the hard-of-hearing community have tried for years to advocate for legislation to rectify this situation. Many of us have worked hard to have legislation introduced and heard. Invariably the committees we testify approve the proposed legislation - but the Legislature does not. I am here to ask you, please: we need this technology / accommodation / accessibility and we need your help in enabling us to acquire it. SB 1494 will be a major step in this direction.

Thank you for the opportunity to testify,  
Sherry Shimizu

**LATE**

**SB-1494**

Submitted on: 2/3/2025 10:35:22 AM

Testimony for HHS on 2/3/2025 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Stephen Laracuente	Individual	Support	Written Testimony Only

Comments:

Aloha, I have been a Deaf consumer of hearing aids since I ws 3 years old. 69 years later, at age 72, I am still using hearing aids and still paying most of the cost of the new hearing aids I have bought every 3 years or so. The most recent hearing aid purchase cost me about \$1,500 while my insurance paid \$500. Hearing aids are not a luxury. They aid with an essential life function.

Helen Keller, a world-famous Deaf-Blind woman, once said, "Blindness cuts people off from things. Deafness cuts people off from other people." Please reverse years of unfair insurance practice by requiring them pay \$1,500 while the Deaf consumer pays \$500. American Deaf consumers on average have incomes that are 10% lower than their heraring counterparts.

I recognize that hearing aids are a lot more expensive than eyeglasses, but Deaf folks still need a break. I have been paying for my own hearing aids since I was 21. That's 51 years of buying my own hearing aids every 3 years on average. That equals 17 times I bought hearing aids in my adult lifetime, and at today's prices that is 17 times \$2,000 or \$34,000. Sorry this testimony is late. Thanks for considering my testimony.