Information Summary and Recommendations

Hearing Aids
Mandated Benefits Sunrise Review

January 2005

Health Systems Quality Assurance

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For more information or additional
copies of this report contact:

Office of the Assistant Secretary
PO Box 47850
Olympia, Washington 98504-7850

Phone: (360) 236-4605
Fax: (360) 236-4626

Mary C. Selecky
Secretary of Health

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THE SUNRISE REVIEW PROCESS

In 1997, the Legislature passed House Bill 1191, which amended the statute requiring a review of all mandated health insurance benefits. The statute now requires that proponents of such mandates provide specific information to the legislature. Should the legislature request, and if funds are available, the Department of Health makes recommendations to the legislature on the proposals, using criteria specific in the statute. This review is done only at the request of the chairs of legislative committees, usually the House Health Care Committee or Senate Health and Long-term Care Committee. The criteria for these "sunrise reviews" are contained in RCW 48.47.03. The legislature's intent is that all mandated benefits show a favorable cost-benefit ratio and do not unreasonably affect the cost and availability of health insurance.

The statute states in RCW 48.47.005 that "the cost ramifications of expanding health coverage is of continuing concern and that the merits of a particular mandated benefit must be balanced against a variety of consequences which may go far beyond the immediate impact upon the cost of insurance coverage."

EXECUTIVE SUMMARY

The Department of Health's review of proposed mandated benefits is supposed to balance an interest in providing beneficial health care coverage with the expense incurred to the state, private insurers and premium payors through additional mandated benefits. The legislature directed the department to consider how improved access to hearing aids can provide beneficial social and health consequences which may be in the public interest. The department was also directed to consider the cost ramifications of expanding health coverage to include hearing aids. Mandated benefits guidelines, listed in RCW 48.47.030, require analysis of the proposal's social impact, financial impact, and evidence of health care services efficacy.

House Bill 2281, Hearing Aids would require health care plans that provide coverage for prostheses to include coverage for hearing aids. All state-purchased health plans, private health insurance plans (health care contractors), and health maintenance organizations would be required to provide coverage for hearing aids.

Estimates indicate that approximately 22 – 28 million Americans have some hearing loss. The Department of Social and Health Services estimates that there are approximately 650,000 individuals with a hearing loss in Washington. Approximately 636,000 are hard of hearing and approximately 14,000 are profoundly deaf.

Social Impact

Hearing aids are not commonly reimbursed through an insurance benefit. Hearing aids are excluded as a standard benefit in most health insurance contracts. Hearing aids can be cost-prohibitive, ranging from $400 to $7,000. A pair of hearing aids commonly costs $3,000-$4,000. This can place an unreasonable financial hardship on individuals and families, creating difficult choices between buying hearing aids and going into debt, foregoing other important purchases, or undergoing deterioration in the ability to hear.

Financial Impact
The addition of hearing aids to the list of mandated benefits would increase costs for health carriers and policy holders. The cost to state-purchased health care would be $1,404,836 for a biennium. Increases in costs fuel health care inflation. Health care inflation contributes to the Washington State Government's budget deficit and the increasing numbers of uninsured.

Efficacy
Hearing amplification with hearing aids is the most effective treatment for people with mild-to-severe hearing loss. Older Americans who receive treatment for hearing loss with hearing aids experience significant improvements in depression and communication as well as social and emotional functioning. Detection and treatment of hearing loss in children improves speech and language development to levels similar to peers, as well as improving social and emotional development.

Recommendations
Hearing aids are an effective form of health care treatment for people who are hard of hearing. Mandating a hearing aid benefit for people would provide many positive social impacts. The financial impact of mandating coverage for hearing aids would increase costs to insurance carriers and costs to the state through its purchase of health care. Increasing health care costs exacerbate the trend toward the increasing number of uninsured residents of Washington.

Hearing is an essential life function. It impacts the physical, economic, and mental well-being of people who are hard of hearing. The financial impact of a basic hearing aid benefit is outweighed when compared to the significant health benefit it provides, therefore the Department recommends that hearing aids be a mandated benefit.

Any legislation adopted to mandate coverage for hearing aids should include:

- a medical necessity clause;
- a limitation on the frequency of replacing hearing aids:
    - every four years for adults,
    - every two years for children between the ages of two and eighteen, and
    - no more than three times a year for infants and toddlers up to two years of age;
- a specific benefit amount to better control costs and determine the financial impact on the health care system;
- osteopathic physician assistants regulated under RCW 18.57A as practitioners who can recommend hearing aids; and
- an implementation date that allows time for insurance companies to design the benefit and change their policies.

As an alternative, legislation that mandates coverage for hearing aids for children under the age of 18 could be adopted. It would increase costs to insurance carriers and costs to the state less than a benefit for adults and children, while still contributing to improvements in speech and language development for children.

BACKGROUND

The Department of Health's review of proposed mandated benefits is supposed to balance an interest in providing beneficial health care coverage with the expense incurred through additional mandated benefits. The legislature directed the department to consider how improved access to hearing aids can provide beneficial social and health consequences which may be in the public interest. The department was also directed to consider the cost ramifications of expanding health coverage to include hearing aids. The merits of requiring hearing aids must be balanced against a variety of consequences beyond the immediate impact upon the cost of insurance coverage. The information gathered by the department should assist the legislature in determining whether mandating hearing aids is in the public interest.

The Washington State Legislature originally requested the department complete a mandated benefit review of two bills, House Bill 2281, an act relating to coverage for hearing aids and House Bill 2890, an act relating to coverage for hearing aids and cochlear implants. House Bill 2890 was withdrawn from review by the Legislature.

House Bill 2281, Hearing Aids (Appendix A) would require health care plans that provide coverage for prostheses to include coverage for hearing aids. The precise amount of coverage was not included in the bill. Hearing aids would only be covered when recommended by the patient's physician, advanced registered nurse practitioner, or physician assistant.

All state-purchased health plans, private health insurance plans (health care contractors), and health maintenance organizations would be required to provide coverage for hearing aids. Disability insurance plans and group and blanket disability insurance would also be required to cover hearing aids.

Medicaid does offer reimbursement for hearing aids. House Bill 2281 would not change coverage offered by Medicaid. The bill would, however, add hearing aid coverage to a small program administered through the Department of Social and Health Services, Medical Assistance Administration called the Medically Needy Program.

Medicare does not cover hearing aids and this bill would not impact its coverage. House Bill 2281 would not require Medicare supplement polices or supplemental contracts covering a specified disease or other limited benefits to cover hearing aids. Federal preemption prevents state changes to Medicare supplement policies.

House Bill 2281 would not change coverage by the Department of Labor and Industries.

Estimates indicate that approximately 22 – 28 million Americans have some hearing loss. The Department of Social and Health Services estimates that there are approximately 650,000 individuals with a hearing loss in Washington. Approximately 636,000 are hard of hearing and approximately 14,000 are profoundly deaf.

Nationally, approximately three to four newborns in 1,000 have significant hearing impairment, making hearing loss one of the most common birth defects.[1] Hearing loss also occurs during childhood and adulthood. It is prevalent among older Americans. Twenty-five to forty percent of

[1] March of Dimes, http://modimes.org/professionals/681_1232.asp

people over 65 are hearing impaired,[2] making hearing loss the third most prevalent chronic condition in older Americans.

Hearing loss can be broken down into two categories; conductive and sensorineural. Conductive hearing loss usually results from abnormalities of the middle and/or external ear. The auditory nerve functions normally, but sound is prevented from getting to the inner ear. Sensorineural hearing loss usually results from abnormalities of the inner ear and/or nerve paths to the brain. Typically, the auditory cells and nerve are permanently damaged. Mixed hearing loss includes symptoms from both sensorineural and conductive hearing loss. Approximately 90 percent of hearing loss is sensorineural.[3]

Hearing aids were not defined in House Bill 2281. Hearing instruments have been defined in RCW 18.35.010 as any wearable prosthetic instrument or device designed for or represented as aiding, improving, compensating for, or correcting defective human hearing and any parts, attachments, or accessories of such an instrument or device, excluding batteries and cords, ear molds, and assistive listening devices.

Hearing aids can be classified by size and circuit type. Behind-the-ear models are the largest and completely-in-the-ear are the smallest. Circuit types range from the older Class A amplifiers to the new Digital Circuit. Some new hearing aids can be programmed.

Hearing aids can be enhanced through the use of assistive listening devices. Hearing aids can be equipped with a telecoil feature. By turning on the telecoil feature and using a telecoil to hook up to an assistive listening device, amplification can be delivered directly to the hearing aid.

The Department of Health notified the applicant group, professional associations, interested parties, and staff of the sunrise review. The applicant, Penny Allen, submitted a written report, outlining the proposal according to criteria set forth in RCW 48.47.030. Meetings and discussions were held and documents were circulated. A review panel, including staff from the Department of Health and one public member was created. Sunrise reviews on this topic were requested from other states. Literature and Internet research were conducted. Staff and the review panel reviewed all information received.

A public hearing was held on October 1, 2004. Interested parties were allowed to present testimony. We accepted additional written comments following the public hearing. A summary of the public hearing can be found in Appendix C.

Proposals, data and documentation were analyzed according to criteria provided in statute, with particular attention to issues regarding social and financial impact of the bill and evidence of health care services efficacy.

The analysis of the proposal contained in House Bill 2281 was completed in accordance with the mandated benefits guidelines listed in RCW 48.47.030, including social impact, financial impact, and evidence of health care services efficacy.

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[2] Yueh B, Shapiro N, MacLean CH, Shekelle PG. Screening and management of adult hearing loss in primary care. JAMA. 2003; 289: 1976.
[3] Ibid. p. 1977.

FINDINGS: SOCIAL IMPACT

To what extent is the benefit generally utilized by a significant portion of the population?
Estimates regarding utilization of hearing aids vary considerably. They range from 10 to 65 percent. An estimate of the general population indicates that 20 percent of individuals who are hard of hearing use hearing aids.[4] Sixty-one to sixty-five percent of children who are hard of hearing have hearing aids.[5]

Additionally, there is a lot of anecdotal information about utilization of hearing aids. Many people have reported to the department difficulties in obtaining hearing aids. Under-utilization, such as buying hearing aids that are affordable rather than efficacious and not replacing outdated hearing aids, we reported.

To what extent is the benefit already generally available?
Hearing aids are commonly available. Hearing aids are not commonly reimbursed through an insurance benefit. Hearing aids are standard benefit exclusion in most health insurance contracts. Anecdotal evidence indicates that some insurance plans do include a small benefit. Some insurance companies offer optional supplemental hearing aid benefits.

Without insurance reimbursement, some people have to pay out of pocket to obtain hearing aids. The Office of the Deaf and Hard of Hearing within the Division of Vocational Rehabilitation at the Department of Social and Health Services reports receiving one to four calls a week from people who request financial help in obtaining hearing aids.

Private social services such as the Lions Club, help some people get hearing aids. The Office of the Deaf and Hard of Hearing (ODHH) refers inquiries for financial assistance to the Northwest Lions Foundation for Vision and Hearing. The Northwest Lions Foundation refers people to their local Lions Club. The Office of the Deaf and Hard of Hearing (ODHH) reports that if the local Lions Club has funds available, they assist with the purchase of an "all purpose," low cost hearing aid. While these hearing aids provide amplification, they do not always fit individual needs. The Office of the Deaf and Hard of Hearing (ODHH) also notes that Lions Clubs rely on the good will of audiologists to provide low cost or no cost fitting services for the hearing aids.

Some schools purchase hearing aids for students who are hard of hearing. Occasionally, the Department of Social and Health Services (DSHS), Division of Vocational Rehabilitation, will purchase hearing aids so that a person who is hard of hearing may obtain employment.

Eight states mandate benefits for hearing aids. Connecticut, Louisiana, Maine, Maryland, Missouri, Kentucky and Oklahoma require coverage for hearing aids, primarily for children.

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[4] Bender K, Fritchen B, Hooper M, Diamond RH. A report to the Joint Standing Committee on Insurance and Financial Services of the 121st Maine Legislature. Maine Bureau of Insurance and Mercer Risk, Finance & Insurance Consulting, Inc. October 2003: 8-9.
[5] California Health Benefits Review Program (CHBRP). (2004). Analysis of senate bill 1158: hearing aids for children. Report to the California State Legislature, 3. Oakland, CA: CHBRP 04-10.

If the benefit is not generally available, to what extent has its unavailability resulted in persons not receiving needed services?
Since a hearing aid benefit is rare, most costs are borne by the recipient. Hearing aids can be cost prohibitive. Hearing aids range from $400 to $7,000. A pair of hearing aids commonly costs $3,000-$4,000.

Hearing aids typically require multiple fittings for optimal functioning. The cost of clinical visits to fit the hearing aid can be included in the total cost of the hearing aid. Sometimes the clinical costs, or part of the clinical costs, are covered through an insurance benefit.

The applicant reports that people who are hard of hearing often go without hearing aids because of the expense. Testimony at the Department of Health's October 1, 2004 public hearing and written comments received by the department indicate that cost is a major factor that prevents the hard of hearing from obtaining needed services.

Hearing aids have a limited life expectancy. Hearing aids for adults typically last four years. Hearing aids for children last two years. Hearing aids for infants and toddlers must be replaced several times a year. The difficulties faced in obtaining hearing aids are often repeated when the original device must be replaced.

There are a number of reasons why people who are hard of hearing may not have hearing aids. While cost is a barrier, some people who are hard of hearing choose not to use hearing aids because of the social stigma associated with using hearing aids. Lack of satisfaction with hearing aids is also a factor.

It is difficult to reach an estimated number of Washington residents who have been unable to obtain hearing aids because of a lack of an insurance benefit. Estimates of utilization vary considerably, as described above under social impact. The applicant estimated 617,500 people in Washington could benefit from hearing aids. The Department of Social and Health Services estimates that there are approximately 636,000 people who are hard of hearing in Washington.

If the benefit is not generally available, to what extent has its unavailability resulted in unreasonable financial hardship?
The lack of a hearing aid benefit does result in financial hardships to individuals and families. The applicant stated that people who are hard of hearing face significant expenses. The applicant reported that the Centers for Disease Control and Prevention estimates an average lifetime cost of $417,000 for people who are hard of hearing.

Testimony at the department's public hearing, and written comments received, recounted many instances of unreasonable hardship placed on individuals and families. Many people shared their experiences that described personal financial hardship and difficult choices between buying hearing aids and going into debt, foregoing other important purchases, or undergoing deterioration in their ability to hear. Please see Appendices C and E for more information.

What is the level of public demand for the benefit?
It is difficult to ascertain an estimate of the public demand for the benefit since only indirect indications of demand exist. A number of public organizations supported the proposal, see Appendices C and E.

What is the level of interest of collective bargaining agents in negotiating privately for inclusion of this benefit in group contracts?
No information indicated that collective bargaining efforts would include hearing aids in negotiating group contracts.

FINDINGS: FINANCIAL IMPACT

To what extent will the benefit increase or decrease the cost of treatment or service?
It is uncertain how much a hearing aid benefit would decrease the cost of treatment. House Bill 2281 did not include a precise dollar amount for hearing aid coverage. Instead, it added hearing aids to other prostheses. It is expected that coverage for hearing aids would be included in existing insurance benefits for prostheses which typically include some cost sharing by the patient. Most states that have mandated a hearing aid benefit have limited the amount, such as $1,400 per hearing aid. The extent of the insurance benefit and cost sharing would determine the decrease in the cost of hearing aids to patients.

The cost of services such as hearing aids can increase when there is a third party payor. When individuals are insulated from the cost of a service, they can be less concerned with price. Third party payment could also increase demand for the best technology, which could drive up the costs.

However, it is also possible that group purchasing of hearing aids could lower their costs. Individual purchasers pay what the market will bear. Insurance companies and health maintenance organizations could pursue bulk purchasing contracts and negotiate lower prices from manufacturers.

To what extent will the coverage increase the appropriate use of the benefit?
Hearing aid coverage would increase the appropriate use of the benefit. House Bill 2281 stated that hearing aids would only be covered upon the recommendation of a patient's physician, advanced registered nurse practitioner, or physician assistant. The requirement for a recommendation should encourage appropriate use of the benefit.

Hearing aids have less potential for over-utilization than some other health care benefits. Hearing loss is measurable. Hearing aids are unlikely to be sought by those who do not need them.

Testimony from the Health Care Authority indicated that to ensure appropriate use of the benefit, a requirement for a prescription or definition of medical necessity should be added to the benefit. Health Care Authority indicated that the absence of one of these restrictions could lead to more recommendations than needed or the prescribing of experimental/investigational devices.

States that do cover hearing aids include a limitation on the frequency of the benefit. Hearing aids for adults typically last four years while hearing aids for children typically last two years. However, infants and toddlers up to two years of age outgrow hearing aids several times a year. A benefit including up to three hearing aids a year for children under two is more appropriate. Limiting the frequency of the benefit would also encourage appropriate use of the benefit.

To what extent will the benefit be a substitute for a more expensive benefit?
In some instances, cochlear implants can be substituted for hearing aids. Cochlear implants are electrical prosthetic devices that enable individuals with sensorineural hearing loss to recognize some sounds. They consist of an external microphone and speech processor that receive and convert sound waves into electrical signals which are transmitted to one or more electrodes implanted in the cochlea where they stimulate the auditory nerve (Medline Plus).

Cochlear implants are a more expensive benefit than hearing aids. Many insurance plans include coverage for cochlear implants. In instances where cochlear implants and hearing aids could provide similar improvements in hearing, hearing aids would be the less expensive alternative.

To what extent will the benefit increase or decrease the administrative expenses of health carriers and the premium and administrative expenses of policyholders?
The addition of hearing aids to the list of mandated benefits would increase costs for health carriers and policy holders. Since House Bill 2281 did not specify a precise amount of coverage, carriers would have some flexibility to determine the benefit.

The Association of Washington Health Plans and Regence Blue Shield both commented that another mandated benefit would escalate health insurance costs and have a negative effect on making health care more accessible and affordable. Adding more mandated benefits would aggravate trends that contribute to the rising population of uninsured residents in Washington.

The Independent Business Association and the National Federation of Small Business also expressed a concern about the impact of adding another mandated benefit on health insurance costs. They expressed the concern of employers who want to provide health insurance for their employees and face increasing premium costs. Increasing premium costs lead employers to drop health insurance coverage altogether, increasing the number of uninsured.

What will be the impact of this benefit on the total cost of health care services and on premiums for health coverage?
Estimates of the impact vary depending on several factors, including the estimated utilization of the hearing aid benefit. Regence Blue Shield informed the department that the increase would be approximately $1.40 to $2.80 per member, per month. The Maine Bureau of Insurance and Mercer Risk indicated that premiums could increase in Maine as much as 1.1 to 1.3 percent if the benefit were unlimited.[6] They also stated that a benefit limited to children would increase premiums by .04 percent. California estimated .03 to .06 percent premium increases for a limited hearing aid benefit for children.[7]

What will be the impact of this benefit on costs for state-purchased health care?
The fiscal note for House Bill 2281 stated that the cost to state-purchased health care would be $1,404,836 for a biennium. Premium increases would be $.13 to $.30 per member, per month.

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[6] Bender K, Fritchen B, Hooper M, Diamond RH. A report to the Joint Standing Committee on Insurance and Financial Services of the 121st Maine Legislature. Maine Bureau of Insurance and Mercer Risk, Finance & Insurance Consulting, Inc. October 2003: 2.

[7] California Health Benefits Review Program (CHBRP). (2004). Analysis of senate bill 1158: hearing aids for children. Report to the California State Legislature, 3-4. Oakland, CA: CHBRP 04-10.

In 2003, the Legislature directed the Health Care Authority to reduce the actuarial value of the Basic Health Plan benefit package by approximately 18 percent as well as limiting enrollment. In response, the Health Care Authority changed the plan in several ways. They increased premiums and office visit co-payments, created a deductible, coinsurance, and out of pocket maximums, and changed the pharmacy co-payment structure.

Washington State government faces over a billion dollar budget deficit in 2005 when it will create the 2005-07 budget. Increasing health care costs is one of the drivers of the budget deficit.

What will be the impact of this benefit on affordability and access to coverage?
It is difficult to determine an estimate of the impact of the benefit on affordability and access to coverage. The addition of hearing aid coverage would increase the cost of premiums thereby decreasing their affordability. However, the addition of a hearing aid benefit would be an incremental part of any premium. Many other variables contribute to determinations of affordability and access, therefore a determination on affordability and access is largely speculative.

FINDINGS: EFFICACY

If a mandatory benefit of a specific service is sought, to what extent has there been conducted professionally accepted controlled trials demonstrating the health consequences of that service compared to no service or an alternative service?
Hearing aids are an effective form of treatment for many individuals who are hard of hearing. Hearing amplification with hearing aids is the most effective treatment for people with mild to severe hearing loss.[8]

Treatment for hearing loss with hearing aids improves the health of individuals who are hard of hearing. The Office of the Deaf and Hard of Hearing (ODHH) within the Division of Vocational Rehabilitation at the Department of Social and Health Services reports receiving between one and three telephone calls a week from adults whose parents experience withdrawal and isolation related to hearing loss. Older Americans who receive treatment for hearing loss with hearing aids experience significant improvements in depression, communication as well as social and emotional functioning.[9]

Treatment for hearing loss in children is also important. Detection and treatment of hearing loss in children improves speech and language development as well as social and emotional development. Treatment for hearing loss can lead to language skills that are similar to peers without hearing loss.[10] Office of the Deaf and Hard of Hearing receives telephone calls from parents of children who have outgrown one set of hearing aids and need help in purchasing replacements.

Employment is more difficult with an untreated hearing loss. Obtaining and keeping a job is difficult for people who are hard of hearing and do not have adequate hearing aids.

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[8] Yueh B, Shapiro N, MacLean CH, Shekelle PG. Screening and management of adult hearing loss in primary care. JAMA. 2003; 289: 1982.
[9] Ibid.
[10] California Health Benefits Review Program (CHBRP). (2004). Analysis of senate bill 1158: hearing aids for children. Report to the California State Legislature, 8. Oakland, CA: CHBRP 04-10.

If a mandated benefit of a category of health care provider is sought, to what extent has there been conducted professionally accepted controlled trials demonstrating the health consequences achieved by the mandated benefit of this category of health care provider?
No mandated benefit of a category of health care providers is sought.

To what extent will the mandated benefit enhance the general health status of Washington residents?
People who are hard of hearing and those who interact with them would experience the benefit of increased communication and participation with greater prevalence of hearing aids.

RECOMMENDATIONS

Hearing aids are an effective form of health care treatment for people who are hard of hearing. Mandating a hearing aid benefit would provide many positive social impacts. The financial impact of mandating coverage for hearing aids would increase costs to insurance carriers and costs to the state through its purchase of health care. Increasing health care costs exacerbate the trend toward the increasing number of uninsured residents of Washington.

Hearing is an essential life function. It impacts the physical, economic, and mental well being of people who are hard of hearing. The financial impact of a basic hearing aid benefit is outweighed when compared to the significant health benefit it provides, therefore, the department recommends that hearing aids be a mandated benefit.

Any legislation adopted to mandate coverage for hearing aids should include:

- a medical necessity clause;
- a limitation on the frequency of replacing hearing aids:
    - every four years for adults,
    - every two years for children between the ages of two and eighteen, and
    - no more than three times a year for infants and toddlers up to two years of age;
- a specific benefit amount to better control costs and determine the financial impact on the health care system;
- osteopathic physician assistants regulated under RCW 18.57A as practitioners who can recommend hearing aids; and
- an implementation date that allows time for insurance companies to design the benefit and change their policies.

As an alternative, legislation that mandates coverage for hearing aids for children under the age of 18 could be adopted. It would increase costs to insurance carriers and costs to the state less than a benefit for adults and children, while still contributing to improvements in speech and language development for children.

APPENDIX: A

PROPOSED LEGISLATION

HOUSE BILL 2281

State of Washington 58th Legislature 2003 Regular Session

By Representatives Flannigan, Darneille and McDermott

Read first time 04/27/2003. Referred to Committee on Health Care.

AN ACT Relating to coverage for hearing aids; adding a new section 2 to chapter 41.05 RCW; adding a new section to chapter 48.20 RCW; adding 3 a new section to chapter 48.21 RCW; adding a new section to chapter 4 48.44 RCW; and adding a new section to chapter 48.46 RCW.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** A new section is added to chapter 41.05 RCW 7 to read as follows:

All state-purchased health care that provides coverage for prostheses shall include coverage for hearing aids, provided that such services are delivered upon the recommendation of the patient's physician or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission under chapter 18.79 RCW or physician assistant under chapter 18.71A RCW.

This section shall not be construed to prevent the application of standard health plan provisions applicable to other benefits such as deductible or copayment provisions. This section does not limit the authority of the state health care authority to negotiate rates and contract with specific providers for the delivery of prostheses. This section does not apply to medicare supplement policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. **Sec. 2.** A new section is added to chapter 48.20 RCW 4 to read as follows:

An insurer that offers to any individual a health benefit plan that provides coverage for prostheses shall include coverage for hearing aids, provided that such services are delivered upon the recommendation of the patient's physician or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission under 10 chapter 18.79 RCW or physician assistant under chapter 18.71A RCW.

This section shall not be construed to prevent the application of standard health plan provisions applicable to other benefits such as deductible or copayment provisions. This section does not limit the authority of the state health care authority to negotiate rates and contract with specific providers for the delivery of prostheses. This section does not apply to medicare supplement policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. **Sec. 3.** A new section is added to chapter 48.21 RCW 19 to read as follows:

A group insurance contract or blanket disability insurance contract that provides coverage for prostheses shall include coverage for hearing aids, provided that such services are delivered upon the recommendation of the patient's physician or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission under chapter 18.79 RCW or physician assistant under chapter 18.71A RCW.

This section shall not be construed to prevent the application of standard health plan provisions applicable to other benefits such as deductible or copayment provisions. This section does not limit the authority of the state health care authority to negotiate rates and contract with specific providers for the delivery of prostheses. This section does not apply to medicare supplement policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. **Sec. 4.** A new section is added to chapter 48.44 RCW 35 to read as follows:

A health service contractor that provides coverage for prostheses shall include coverage for hearing aids, provided that such services are delivered upon the recommendation of the patient's physician or advanced registered nurse practitioner as authorized by the nursin5 care quality assurance commission under chapter 18.79 RCW or physician assistant under chapter 18.71A RCW.

This section shall not be construed to prevent the application of standard health plan provisions applicable to other benefits such as deductible or copayment provisions. This section does not limit the authority of the state health care authority to negotiate rates and contract with specific providers for the delivery of prostheses. This section does not apply to medicare supplement policies or supplemental contracts covering a specified disease or other limited benefits.

NEW SECTION. **Sec. 5.** A new section is added to chapter 48.46 RCW 15 to read as follows:

A health maintenance organization that provides coverage for prostheses shall include coverage for hearing aids, provided that such services are delivered upon the recommendation of the patient's physician or advanced registered nurse practitioner as authorized by the nursing care quality assurance commission under chapter 18.79 RCW or physician assistant under chapter 18.71A RCW.

This section shall not be construed to prevent the application of standard health plan provisions applicable to other benefits such as deductible or copayment provisions. This section does not limit the authority of the state health care authority to negotiate rates and contract with specific providers for the delivery of prostheses. This section does not apply to medicare supplement policies or supplemental contracts covering a specified disease or other limited benefits.

---END --

HB 2281

APPENDIX: B

Applicant Report

"Among the five senses, people depend on vision and hearing to provide the primary cues for conducting the basic activities of daily life…These senses provide the portals for language, whether spoken, signed, or read. They are critical to most work and recreation and allow people to interact more fully. For these reasons, vision and hearing are defining elements of the quality of life." (From Healthy People 2010, National Institutes of Health)[11]

Introduction

Hearing, along with vision, occupies a special place in the suite of human senses. In addition to its role as a fundamental "portal for language," hearing acts as a navigation aid, a warning system, and a job credential. It plays a unique and critical role in the way Americans navigate and experience the world, and even in the way they see themselves. For the estimated 28 million Americans with hearing loss, hearing plays perhaps an even more significant role.[12] For these people, hearing can be a roadblock - an impediment to interaction with the community around them. Individuals with hearing loss face an environment built for the hearing and, as a result, they are "disproportionately disadvantaged."[13]

In one sense, hearing loss is an illness. Fortunately, in most cases, it is an illness with a treatment. Though it does not entirely restore normal hearing, the proper fitting and use of modern hearing aids can meliorate the disadvantages faced by individuals with hearing loss, helping them to interact with their community and environment. The tremendous benefits of appropriate intervention for people with hearing loss are well documented.

However, only 22% of those individuals who could benefit from hearing aids actually use them.[14] At least one-third of those who do not use them cite financial constraints as the core reason. Of the 22% who do use them, many are forced to wear old, out-of-date, or improperly fitted hearing aids, because the cost of the proper equipment and treatment is prohibitive. They simply can't afford the treatment they need.

Currently, insurance coverage for hearing loss is practically non-existent. Even the most comprehensive health insurance policies generally omit hearing-related benefits. House Bill 2281 seeks to expand options for people with hearing loss, by requiring insurers to provide coverage for hearing aids. This bill will level the playing field for thousands of individuals with hearing loss in Washington State. It will save the taxpayers thousands in social service expenditures. But perhaps most importantly, it's the right thing to do. HB 2281 doesn't take away the problems facing people with hearing loss, but it puts them in a position to help themselves, and it does so in a way that benefits everyone.

The Social Impact

(i) To what extent is the benefit generally utilized by a significant portion of the population?

As noted earlier, 28 million Americans have some degree of hearing loss. In Washington State, there are currently 650,000 people with hearing loss.[15] Given an estimated state population of 6,131,445 people, the percentage of Washington State residents with hearing loss is 10.6%.[16] This

[11] U.S Department of Health and Human Services, Healthy People 2010, http://www.healthypeople.gov/Document/HTML/Volume2/28Vision.htm (Overview)
[12] National Institute on Deafness and Other Communication Disorders (NIDCD). *National Strategic Research Plan: Hearing and Hearing Impairment.* Bethesda, MD: HHS, NIH, 1996. http://www.healthypeople.gov/Document/HTML/Volume2/28Vision.htm#_Toc489325915
[13] http://www.healthypeople.gov/Document/HTML/Volume2/28Vision.htm#_Toc489325915 (Disparities)
[14] MarkeTrak consumer survey (Ryun's Bill talking points, et al)
[15] http://www1.dshs.wa.gov/hrsa/odhh/
[16] From the US Census, http://quickfacts.census.gov/qfd/states/53000.html Estimate as of July, 2003.

percentage appears to be rising as the baby boom generation ages.[17] About one-third of all adults over age 65 experience hearing loss.[18] It's not just adults who are affected. Hearing impairments are also the most common birth defect, found in 3 to 4 infants per thousand.[19] Of those individuals with some form of hearing loss, 95% would benefit from the use of hearing aids.[20] The bad news is that 650,000 Washington State residents suffer hearing loss. The good news is that 617,500 of them could be helped simply by the proper fitting and use of modern hearing aids.

(ii) To what extent is the benefit already generally available?

This population appears to be a prime market for insurers, but in fact few insurance providers in Washington State offer any coverage at all for expenses related to hearing loss. The vast majority of policies do not provide coverage for hearing loss, nor do they provide the option to add coverage for hearing loss.[21] Insurance analysts recognize that individuals with hearing loss represent an underserved market, with significant potential for growth.[22] However, despite the potential profits, insurance companies have been glacial in their approach to integrating benefits for hearing loss. Additionally, insurers have traditionally considered coverage for hearing loss to be on par with vision and dental programs, "ancillary" benefit programs that are distinct from primary medical benefit expenses because they are "routine, expected, noncatastrophic, and budgetable."[23] In fact, expenses due to hearing loss may be none of those. This subject will be covered in more detail later. For now, it is clear that individuals with hearing loss are underserved. Options for insurance coverage range from very limited to non-existent.

Only recently have a few local insurers begun to take steps indicating a tentative willingness to offer limited hearing benefits. Specifically, in Washington State, Regence offers no coverage for routine hearing exams or hearing aids. However, they do offer a "value added" program that gives discounts to their members for hearing exams and hearing aids.[24] Premera offers a similar "value added" program for hearing exams and aids.[25] Pacificare offers a limited benefit for its Medicare members.[26] Clearly these insurers recognize that the provision of hearing benefits creates value for their subscribers.

Unfortunately, insurers have generally been reluctant to take these steps directly or completely. Offering small discounts through third party providers does not do enough to help the average insurance policy holder afford needed hearing aids. Nor is it clear why medically necessary devices like hearing aids are covered so differently than other medically necessary devices. It is a token gesture, but it is a step in the wrong direction. Insurers often help pay for diagnostic and testing supplies, prescription drugs, and even birth control. Why, then, do they continue to deal with hearing aids separately, offering instead limited third party discounts and "value added" plans? This

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[17] http://www.hearinglossweb.com/Medical/Causes/nihl/boomer.htm
[18] Healthy People, footnote 46
http://www.healthypeople.gov/Document/HTML/Volume2/28Vision.htm#_Toc489325915
[19] Healthy People 2010, footnote 20
http://www.healthypeople.gov/Document/HTML/Volume2/28Vision.htm#_Toc489325915
[20] American Academy of Audiology, http://www.audiology.org/consumer/guides/wyskahl.php
[21] According to one survey, only 19% of large American companies offered a hearing benefit plan. Vision care was offered by 64% of the companies. See: Hewitt Associates LLC, Illinois, 2001, http://www.hear-it.org/page.dsp?page=3114
[22] Dental, Vision, and Hearing Benefit Plans, Thomas P. O'Hare, The American College, 2002
[23] IDEM
[24] Offered through Newport Audiology and Beltone.
[25] Offered through HearPO.
[26] Offered through Secure Horizons, a Medicare+ Choice plan that covers $30 for a hearing test every year and no more than $400 for hearing aids every 3 years.

type of "separate but not-quite-equal" coverage improperly segregates hearing aids from other medically necessary treatments.

(iii) If the benefit is not generally available, to what extent has its unavailability resulted in persons not receiving needed services?

Without adequate insurance coverage to cover the expenses related to hearing loss, people who need treatment routinely go without. It is impossible to know exactly how many people do not receive needed treatment because of the lack of insurance. But it's clear that the lack of insurance coverage plays a role. While some social services and nonprofits have launched programs to help people with hearing loss obtain needed services, there are major gaps. For example, some organizations, led in Washington State by Lions Clubs, have organized to provide recycled hearing aids to low-income individuals. A job may disqualify an individual from receiving assistance from such programs, however, with the ironic result that the person is too wealthy to receive assistance and too poor to afford the services. According to the International Hearing Society, "there is little or no coverage for individuals accessing health care services or hearing devices through private health insurance and Medicare."[27] In sum, a large portion of individuals with hearing loss are unable to obtain assistance with needed services, not because they don't have insurance, but because they do. Such a situation is inexcusable public policy.

As noted earlier, only 22% of those individuals who could benefit from hearing aids actually use them. The reasons for this low utilization are complex, but cost is clearly one of the primary considerations. About 25% of individuals with hearing loss cite the high cost as the core reason that they do not wear hearing aids. But that's not the whole story. A survey conducted by one advocacy group found that nearly half of those adult respondents who were able to purchase hearing aids reported that cost was a factor in determining which hearing aids to purchase.[28] In other words, many individuals chose the treatment they could afford, not the treatment they needed. With the advent of shady Internet hearing aid pushers, it is of increasing importance that individuals with hearing loss have access to bona fide treatment from medical professionals. When insurance companies refuse to pay for needed hearing aids, individuals may turn to cheaper, but almost worthless, alternatives. Hearing aids sold *a la carte*, without the proper fitting, adjusting, and maintenance, are deceptively attractive because of their low cost. But they are at best ineffective, and at worst dangerous. When a person with hearing loss uses what little money she has to buy a hearing aid that won't help, everybody loses.

(iv) If the benefit is not generally available, to what extent has its unavailability resulted in unreasonable financial hardship?

With no assistance from insurers or otherwise, individuals with hearing loss are left to confront the financial expenses of hearing loss on their own. Indeed, over 71% of hearing aid purchases were made directly by consumers, with no third-party payments.[29] The costs are often neither "routine, expected, noncatastrophic," nor "budgetable." Hearing aids can cost anywhere between $1,500 and $5,000, with most individuals spending around $4,000 out of pocket. Batteries can cost an additional $100 each year. These are not one-time costs. Hearing aids generally need to be replaced or adjusted at least every five years, or more often, depending on the nature of the hearing loss. Hearing loss brings with it other expenses, as well, with the average lifetime cost for one person with hearing loss being $417,000, as estimated by the CDC in 2003.[30] These high costs are a very real financial burden for the individuals and families seeking treatment. In a recent

[27] HIS, White Paper, http://www.ihsinfo.org/TheHearingProfessional/080_2003_Nov-Dec/090_A_White_Paper_Addressing_the_Societal_Costs_of_Hearing_Loss_and_Issues_in_Third_Party_Reimbursement.cfm
[28] Listen Up! Poll, http://www.listen-up.org/poll.htm
[29] MarkeTrak, cited in Ryun's Bill talking points
[30] CDC, http://www.cdc.gov/ncbddd/dd/ddhi.htm#cost

editorial in the Tacoma News Tribune, Ben Gilbert reports that "Beverly Ziarko … reported receiving $1,000 from her health insurance company toward $3,000 braces for her child, but nothing for hearing aids, despite her life-long hearing loss. She makes do with primitive 20 year-old hearing aids, a kind now being phased out by manufacturers as obsolete."[31] Other anecdotes abound, and it is not uncommon to hear of parents who must borrow money from relatives or take out a second mortgage on a house to finance treatment for hearing loss when that loss is finally detected in a child.

As expensive as hearing aids are, though, they are not as expensive as the costs of letting hearing loss go untreated. The data on this is incontrovertible. Much has been written about the importance of screening for hearing loss in newborns, and the CDC has made this a top priority. But screening alone does no good. If hearing loss is not detected *and* treated, the social costs are enormous. Study after study has shown that children whose hearing loss is not treated early are at risk of falling behind their peers. According to the American Speech-Language-Hearing Association, intervention before six months results in "significantly better language skills" than intervention after six months. Children receiving early intervention are likely to "develop on par with hearing peers"[32] while children with untreated hearing loss in one ear are ten times more likely to be held back one grade.[33] They are also more likely to be sent to special education, even though hearing aids would have made such a measure unnecessary. According to one study, children who do not receive early intervention cost schools an additional $420,000 and incur lifetime costs of around $1 million in special education, lost wages, and health complications.[34]

Untreated hearing loss in adults also has a significant impact. It can unnecessarily keep individuals out of the workplace. When they are able to enter the workplace, their wages are generally 50 to 70% that of their coworkers.[35] Such a financial impact is astounding, but, unfortunately, not surprising, given the insidious nature of hearing loss. By disrupting the portals of language, hearing loss can prevent effective communication on the job. Such a scenario is bad for everyone involved. The individual with hearing loss suffers financial repercussions in the form of lower wages, but the employer also suffers a very real and tangible productivity loss when hearing impairments go untreated. It is therefore to the employer's benefit to seek out health insurance plans that will provide for the treatment of such losses. Why an employer would not want to do so is inexplicable.

Additionally, hearing loss may inhibit social life or lead to difficulty with family. Feelings of isolation and depression are not uncommon, but in many cases these symptoms can be reversed simply by the use of appropriate hearing aids. In one study, data clearly indicated that hearing aid use led to improved interpersonal relationships, reduction in anger and frustration, reduction in depression, improved emotional stability, reduced paranoid feelings, and enhanced group social activity.[36] A separate study of adults over the age of 50 with hearing loss found that those who used hearing aids were less likely to report depression, anxiety, insecurity, and isolation. They were also more likely to report improved family relations, greater independence and security, improved sexual relations, and, surprisingly, better cardiovascular health.[37] While these costs may not appear to be

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[31] Ben Gilbert, Op-Ed From *The News Tribune* (Tacoma), February 24, 2004
[32] *Facts on Newborn Hearing Loss and Screening.* ASLHA.
[33] *Hearing Loss Fact Sheet.* HearingLoss.org.
[34] Ryun's Bill talking points
[35] Project Hope Study, cited in White Paper
http://www.ihsinfo.org/TheHearingProfessional/080_2003_Nov-Dec/090_A_White_Paper_Addressing_the_Societal_Costs_of_Hearing_Loss_and_Issues_in_Third_Party_Reimbursement.cfm
[36] Kochkin, S. and Rogin, C.M. (2000). "Quantifying The Obvious: The Impact Of Hearing Instruments On Quality Of Life." The Hearing Review , 6-34.
[37] 1999 National Council on Aging, http://www.pamf.org/health/toyourhealth/hearingloss.html

direct financial burdens, they carry with them indirect but nevertheless real financial costs. To cite just one example, increased rates of depression lead to greater dependence on therapy and medication; indeed, the financial burden of depression is well documented. It's clear that untreated hearing loss is a catalyst for a chain-reaction of ill-effects, all of which end up costing not only the individual herself, but her family, employer, and government as well.

(v) What is the level of public demand for the benefit?

The public has come together in a remarkable coalition to support HB 2281. Supporters include the Governor's Committee on Disability Issues and Employment, Washington State Self-Help for Hard of Hearing People, the Listen for Life Center at Virginia Mason, The Washington Grange, the Rotary Club of Clover Park-Lakewood, the Washington State Special Education Coalition, and at least thirteen other organizations. Grassroots support for the bill is broad, both here in Washington State and nationwide. At least thirteen other state governments are currently considering or have already enacted some kind of hearing aid insurance legislation.[38] There are also comparable efforts at the federal level, and there is evidence that support for such legislation is mounting. It is a testament to the inherent goodness of the cause that, at a time when everyone is feeling the pinch of insurance premium rate increases, support for this bill continues to grow.

(vi) What is the level of interest of collective bargaining agents in negotiating privately for inclusion of this benefit in group contracts?

Unfortunately, local efforts at collective bargaining have been unsuccessful. People with hearing loss are not represented by any formal union or traditional collective bargaining agent. While people with hearing loss represent a significant percentage of the population, their collective influence in labor relations has been weak. This is possibly due to chronic under-representation among working Americans. Indeed, this situation typifies one of the sad dilemmas of hearing loss. When left untreated, it can prevent an otherwise qualified individual from obtaining a job, and there is no union to fight for a better health care package for the unemployed.

Interestingly, it appears that, on a federal level, collective bargaining may have been more fruitful. In at least some locations, health plans for federal employees were expanded in 2004 to include a limited hearing aid benefit.[39] Unfortunately, none of the health plans servicing federal employees in Washington State added any such benefit in 2004. Indeed, they explicitly excluded it again this year.[40]

The Financial Impact

(i) To what extent will the benefit increase or decrease the cost of treatment of service?

It is anticipated that the creation of a hearing aid benefit by the insurance carriers of Washington State will actually lower the costs of treatment; in this case, hearing aids. In an article earlier this year, the Wall Street Journal reported that the high costs of hearing aids are tied to complex federal regulations and resultant difficulties in distribution.[41] It is precisely these kinds of challenges that insurance companies and managed care providers are able to solve. As technology evolves and distribution channels become more efficient, the cost of hearing aids should drop.

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[38] http://www.shhh.org/html/hail_for_the_web.HTM

[39] For example, Federal employees in New York and Florida received coverage for their first hearing aid, when deemed "necessary" by a primary care provider. See:
http://www.opm.gov/insure/04/brochures/word/73-001.doc and
http://www.opm.gov/insure/04/changes/3N.asp

[40] Taken from the plans listed here: http://www.opm.gov/insure/04/planinfo/wa.asp

[41] Sound And Fury: The Noisy Debate Over Hearing Aids: Why So Expensive?, By Ann Zimmerman, March 24, 2004, Wednesday, Section A; Page 1

(ii) To what extent will the coverage increase the appropriate use of the benefit?

It is anticipated that there will be widespread use of this benefit. Subscribers with hearing loss who already use hearing aids will likely choose to take advantage of this benefit, and it is expected that those who have hitherto been unable to afford hearing aids will be able to purchase one. Additionally, the strength and breadth of the coalition behind HB 2281 is evidence that the benefit would be well used.

However, it is unlikely that undue use of the benefit will increase. The risk of abuse of this kind of coverage is low. The few insurers that do cover hearing aids typically tie the coverage to "medical necessity" or a diagnosis by a medical doctor, nurse, or licensed audiologist. HB 2281 requires this as well. This prevents any inappropriate use of the insurance benefit by ensuring that the treatment is overseen by a competent health care professional. In Washington, there are approximately 330 licensed audiologists and 280 licensed fitter/dispensers, with more professionals becoming licensed each year. There are enough providers across the state to treat patients needing hearing aids should a mandated insurance benefit be created.

(iii) To what extent will the benefit be a substitute for a more expensive benefit?

Coverage of treatment of hearing loss is a substitute for far more expensive alternatives. When hearing loss goes untreated, or when an individual is unable to pay for treatment, a whole host of less effective social mechanisms are called into action to compensate.

For example, in Washington, IDEA (Individuals with Disabilities Education Act) Part C money is allocated to pay for hearing aids for children less than three years of age. This "payor of last resort" state funding is used to purchase hearing aids even for families who have health insurance, simply because such coverage generally excludes any hearing benefits. As newborn audiological screening becomes more frequent, increasing numbers of infants are being fitted with hearing aids long before the age of three years. The burden of this cost is distributed to tax payers at the expense of other badly needed services also paid for by Part C. Coverage of hearing aids by insurance companies for this population would reduce the cost to the state.

The costs to schools continue after a child reaches school age. IDEA Part C no longer covers hearing aids for children when they begin formal education. When children are denied treatment for hearing loss, the costs can be catastrophic. To make up for the lack of hearing aids, far more expensive mechanisms are activated. In 1990, the annual costs of education in a regular mainstream classroom in 1990 was $3,383, while the annual costs for a hearing-impaired child in a self-contained classroom or residential placement was $9,689 and $35,780 respectively.[42] Special education costs and costs related to IEP programs also take money out of the school budget. Furthermore, children who complete special education programs at school are less likely to find well-paying work upon graduation, and more likely to have their needs met through expensive social service programs. It is far less expensive to simply ensure that the right treatment is prescribed and obtained in the first place.

In fact, a 1999 European study on the cost effectiveness of hearing aids found that the return on investment was so high, it recommended that the government buy hearing aids for its citizens outright. The study found that hearing aids rank "among the top ten cost efficient medical interventions alongside anti-smoking campaigns and breast cancer screening."[43] By mandating insurance coverage of treatment for hearing loss, the massive costs of non-treatment can be entirely

[42] Melissa Johnson; source forthcoming
[43] http://www.audiologyonline.com/news/displaynews.asp?id=22

avoided. The costs of treatment, by comparison, are small and can be easily shared through a meaningful insurance benefit.

(iv) To what extent will the benefit increase or decrease the administrative expenses of health carriers and the premium and administrative expenses of policyholders?

It is difficult to make predictions regarding the impact of HB 2281 on the administrative expenses of health carriers. It is likely that administrative expenses will be increased somewhat. This may entail an increase in the premium expenses of policyholders.

It should be noted that HB 2281 does not require a specific level of coverage for hearing aids. Because insurers will be left with some flexibility on how they will administer the benefit, the costs of that administration will be determined largely by the approach they choose. At this time, it is impossible to predict what their response will be, and what the resultant costs will be. However, estimates are available for state-purchased health care, and it is thought that costs to the private sector will be similar.

(v) What will be the impact of this benefit on the total cost of health care services and on premiums for health coverage?

Again, this impact is difficult to determine, given the amount of flexibility in HB 2281. It is believed that the impact would be similar to the estimated impact on state-purchased health care. However, it is impossible to know this with certainty as of right now.

(vi) What will be the impact of this benefit on costs for state-purchased health care?

The Washington State Office of Financial Management compiled a Fiscal Note for HB 2281 in January of 2004. The Note assesses the fiscal impact of HB 2281 on state-purchased health care. The Note is available for the direct review of the Department of Health. Its findings, in general, are relatively positive.

OFM estimates that passage of HB 2281 would result in an increased cost of $0.30 per subscriber per month for most state health plans (PEBB/UMP). Since subscribers pay 15% of their premiums, the result is a $0.045 monthly increase for each subscriber. For Basic Health, the cost would be $0.13 per subscriber per month, with only $0.02 per subscriber per month being charged to policyholders. In total, the annual cost of offering full hearing aid coverage to all state-purchase health plan subscribers is $681,518.[44]

(vii) What will be the impact of this benefit on affordability and access to coverage?

There is every reason to believe that the impact of providing this benefit on affordability of coverage will be modest. The fiscal note prepared by OFM shows that the resultant increase in premiums will be minimal, at only $0.30 per subscriber per month. Although insurance for hearing loss presumes a high frequency of use, the cost per use is low, according to insurance industry analysts, especially when compared to the cost of other medical treatments.[45] More data on this question would be helpful, but judging from the analysis offered by OFM, there is no significant threat to health care affordability and access.

It is also worth considering that health insurance that does not provide coverage for hearing aids is of questionable value to many people in the first place. By mandating the inclusion of a hearing benefit, the relative value of health insurance increases. Employers will find that helping their employees purchase proper hearing aids when necessary will improve productivity and communication on the job. Health insurers will discover a historically underserved subscriber base,

[44] Please see HB 2281: Fiscal Note (OFM), or contact Dale Fry at 360-923-2741.
[45] O'Hare, The American College 2002

eager to purchase and use their services. Schools will find their special education and IEP budgets eased. However, the most significant impact surrounding access to insurance coverage is the fact that thousands of people with hearing loss - who previously did not have access to any kind of meaningful hearing aid coverage - finally will.

Health Care Service Efficacy

(i) If a mandatory benefit of a specific service is sought, to what extent has there been conducted professionally accepted controlled trials demonstrating the health consequences of that service compared to no service or an alternative service?

Study after study shows the effectiveness of treatment with hearing aids in infants, children, and adults. Many of them have been cited here, and this report only scratches the surface. Hearing aids cannot completely compensate for hearing loss, but they can be an incredibly effective treatment when coupled with the right services, training, and use. There really is no comparable alternative service.

Some analysts wonder whether one hearing aid is as effective as two. The evidence on this subject is also convincing. Two aids are better than one in almost all cases. Experts report that "18 to 30% improvement in speech recognition can be expected from binaural [two ear] listening over monaural listening depending on the stimulus used."[46] In addition, two ear hearing is necessary for localizing a sound source. This is a critical safety issue for people with hearing loss. When hearing loss occurs in both ears, the appropriate treatment is a hearing aid in both ears. The days of the single hearing aid have gone the way of its cousin the monocle.

(ii) If a mandated benefit of a category of health care provider is sought, to what extent has there been conducted professionally accepted controlled trials demonstrating the health consequences achieved by the mandated benefit of this category of health care provider?

Not applicable.

(iii) To what extent will the mandated benefit enhance the general health status of the state residents?

One in ten state residents has a hearing loss. Those that don't are most likely interacting with someone who does. When insurers provide benefits to people with hearing loss, those benefits extend to all the people in the beneficiary's social circle. Parents, children, doctors, teacher, and coworkers are all benefited when disrupted communication is restored.

The benefits of hearing aid insurance coverage to the health status of state residents have been outlined in the preceding pages. The data have consistently shown that hearing aids provide a favorable return on the initial investment, that they maintain a favorable cost/benefit ratio, and that they provide significant benefits both to the wearer of hearing aids and her employer, family, and friends. When children with hearing loss are able to attend school and learn on par with their peers, everybody wins. When young adults with hearing loss are able to obtain, without undue financial hardship or debt, the treatment that credentials them to compete in the workforce, everybody wins. When society is able to keep faith with our seniors by helping them get the tools they need to stay independent and integrated well into their golden years, everybody wins. The state saves money on social services. Employers save money through productivity gains. Schools save money for special education programs. Parents save money to spend on other necessities of life. The benefits of treating hearing loss extend far beyond the individual.

[46] Konkle, D., and Schwartz, D., Binaural amplification: a paradox. In F.H. Bess, B.A. Freeman, and S. Sinclair (Eds.), *Amplification in Education*. Washington, DC: Alexander Graham Bell Association (1981)

Conclusion

Hearing loss is an illness that needs treatment. Accordingly, hearing aids can be viewed as a medication of choice for most hearing impaired children and adults. Unfortunately, the intimidating initial cost of state-of-the-art hearing aids and the lack of insurance coverage prevents many hearing impaired people from getting this much needed *medication*.

Making hearing aids more available to people who need them through insurance is not just the problem of a few. Society at large has a stake. Properly fitted hearing aids serve to provide hearing impaired individuals with more effective communication ability and improved life style, making them more productive members of society.

The additional monetary cost would be modest, and much less than the economic and social costs of failing to provide this available remedy.

APPENDIX: C

Public Meeting Summary

Hearing Aid Mandated Benefits Sunrise Review
Public Hearing
October 1, 2004

Hearing location: Department of Health, 310 Israel Road, Tumwater, Washington

Hearing Panel: Bill Gant (public member); Karen Jensen (Department of Health); Dolly Fernandes (Department of Health)

Department Staff: Pamela Lovinger, Sherry Thomas

The hearing began at 9:00 A.M.
Penny Allen, Applicant
My name is pen Penny Allen, I'm the vice president of the Washington state Association for self-help for hard of hearing people.

House bill 2281 seeks to expand options for people with hearing loss by requiring insurers to provide coverage for hearing aids. We estimate that 10% of the population has a hearing loss, but that number is climbing at an alarming rate due to the aging population and to noise exposure. There is an estimated 28 million Americans with hearing loss and only 22% of that number actually have hearing aids. And although there are many explanations as to why people don't have hearing aids, they cite the number one reason to be the high cost of hearing aids and lack of insurance.

The average pair of hearing aids, I think cost about $5,000, anywhere on up to $10,000 in our state.
Currently, hearing aid coverage is practically nonexistent - there's very little outside help with hearing aids in our state. The Lions Club helps with low income people, but their resources are limited and they cannot possibly serve all the requests that they have.

The need for treatment for hearing loss is across the board for hearing impaired people of all ages. For children, hearing aids are necessary to perform in school at their potential. For hearing impaired adults, they're more employable at their level of ability with properly fitted hearing aids. And among seniors, hearing loss is the third most prevalent, but treatable, disabling condition behind arthritis and hypertension. Hearing impaired seniors benefit enormously from hearing aids and they get more out of their retirement years because they can maintain social relationships. Without hearing aids they isolate, and they forsake the companionship of friends and family. Isolation leads to depression; depression leads to mental and physical problems.

We believe there's a great demand for insurance coverage for hearing aids in our state. There are many agencies across the state trying to get help for people and the resources are very limited. We estimate the cost to be very low, especially considering what the costs are to society for untreated hearing loss. Hearing loss cannot be planned or budgeted. It happens out of nowhere. It's not a one time occurrence.
It involves ongoing expenses and costs thousands of dollars for a hearing impaired person throughout his lifetime. Hearing loss is a disability and hearing aids should be covered by insurance, the same as any other disability, especially wheelchairs.

On a personal note, I have to tell you, I have a progressive hearing loss. I've gone through many pairs of hearing aids, all of it out of my own pocket. At one time, we had two children in college, and I was buying hearing aids. And now, I'm retired and I'm still buying hearing aids. I feel that this is a very worthwhile bill. Thank you.

Panel Questions

Question: Karen: What's the average life a span of a pair of hearing aids? How long do they usually last?

Answer: Penny: We have some experts here who are going to testify to that. I'm just going to throw out the number five to seven years, but there are people here who are much more knowledgeable about the intricacies

of hearing aids than I am. Some people, however, do make them last a long time, simply because they can't afford to buy new ones.

Question: Dolly: You mentioned the cost being between $4-5,000. Is that each or for two?

Answer: Penny: That's for 2, a pair. But the prices are all over the board. The most I've heard is $10,000.

Question: Bill: Something else that interested me - you mentioned the need for this type of insurance coverage and this type of impetus placed on young children in schools. Will there be someone discussing that with the panel today, some of the implications of those young people with hearing losses in the public schools or in the private school sector?

Answer: Penny: Yes. There are at least two people that will go into detail on that.

Question: Pamela: I have one additional question. Would you elaborate on children's access to hearing aids, newborns, infants?

Answer: Penny: I would rather defer that to somebody else who's going to testify later.

Now, we'll begin the public comment period.

Marilise Hood, with Representative Flannigan office

My name is Maralise Hood. I work with Representative Flanagan, who is the legislator that introduced this bill. He had every plan of being here today, but unfortunately had a death in the family, so he's at a funeral. He asked me to share with you some of the background of the bill, and what are the needs and costs. Ben Gilbert, who works with Penny Allen, approached him saying with a very simple statement, if your leg gets cut off you get a new leg covered by insurance. If you lose your hearing, you don't get anything. What can we do about it? And that started a travel of two years of which we've learned a lot and asked a lot of the questions you're asking. I think one of the biggest things we learned was that a child who can't hear is affected in how they learn to read and that will affect them for the rest of their life. So the impact of hearing goes way beyond what those of us who hear every day don't notice. Representative Flannigan really wished he could be here in person. We look forward to hearing your report.

Karin Cook

Sorry. I promised my daughter I wouldn't get emotional, but this is emotional. This is my daughter, Ashley. And she's 13 years old. She was diagnosed as severely hearing impaired at the age of five with a progressive loss. Up until that point, my husband and I had been questioning why she had a speech delay, and we were always told by the professionals that all children develop at a different rate and not to worry so much. Well, the hearing loss diagnosis made a lot of sense to us.

We were also told that hearing aids would cost approximately $4,000. At that time, I worked in the health care field, as I do now. I immediately called our insurance company to find out how much of the hearing aids would be covered. I was told zero. And I was like, wait a minute, she's five years old. She's in school, what do you mean nothing's covered? The customer service representative was so insensitive that day and responded by saying, I don't care if she's 55, they're not covered. And I'll never forget that statement.

After we got the hearing aids, which were donated by the Lions Club and a lot of help from our families, I proceeded to appeal to our insurance company. I even tried to appeal with logic. They were covering private speech therapy for her on a weekly basis, but how was she going to benefit from speech therapy if she couldn't hear? It didn't make sense to us. Nothing worked. They continued to deny the claims. To date, my husband and I have spent over $18,000 in non-covered expenses. And this does not cover our health care premiums.

Hearing aids are such a fundamental necessity to Ashley's life. She reads at a second grade level due to the many years with no language. With the hearing aids, she is able to be an independent 13-year-old.
She participates in Girl Scouts and Special Olympics. She plays the violin in her school orchestra. Just recently, she babysat her three-year-old sister. She's able to communicate not just with her grandparents, but great-grandparents. Without the hearing aids, it would not only place a burden on society, but it would jeopardize her education and her mental health.

Tom Littman, Virginia Mason Medical Center

My name is Tom Littman. I'm Director of Audiology at Virginia Mason Medical Center. I'm here to try to represent some of the interests of our adult patients. We have been keeping track of patients over the past three years who could not afford hearing aids, but obviously needed them. And we've documented more than 40 instances of senior citizens who told us they could not buy the hearing aids because their retirement accounts had tanked, as many of us had noticed with the affected economy. We just shouldn't be asking people to jeopardize their financial security to deal with hearing loss.

I also wanted to mention that hearing loss is not just a problem of the elderly. I think we sometimes have an old-fashioned notion that it just affects our grandpa or old Uncle Ed. The Deafness Research Foundation tells us that the age of onset of significant hearing loss has been steadily dropping and is now in the 40s and 50s. Obviously, that's affecting a significant portion of our work force. The bill draft gives you a number of consequences for adults who need but cannot get hearing aids. I won't go through all of that again, but I would like to just summarize a point that by getting hearing aids, adults are able to stay much more active, more productive. There is even evidence that it improves their physical health and they can remain more independent of state and family support, being less of a financial burden all around.

I would also briefly like to address why hearing aids cost what they do. I've been dispensing them for some 25 years. When I started, I believe we charged about $350 for a pair of hearing aids. It's changed a lot. I have this in writing if that would help you. Very often, we pay roughly $1200 apiece for hearing aids as a dispenser. There is a great deal of literature that shows follow-up visits are critical to success for the patients. From four to six of these are required per year. And we schedule roughly 45 minutes for each of those. The counseling time, the fitting time, the adjusting, all have been shown to be critical to our patients' success with these devices.

A second point has to do with the technology level itself. There are three basic levels: Very simple, intermediate, and then advanced digital devices. A very large study of over 2,000 hearing aid users showed that satisfaction with the basic, cheaper hearing aids, was roughly 58%. To give you a point of reference, that's about the same satisfaction we have for our telephone companies. In contrast, when you get up to the directional, higher end hearing aids, we're up to about 91%. The point is, the more sophisticated, more expensive hearing aids do correlate with increased user satisfaction. And without some financial support to at least give individuals the option of what level of technology to get, we're forcing many to get the cheapest option a

Question: Karen: You mentioned some significant clinical time that needs to be spent for adjustments and repeat visits. Do you know if insurance companies pay for any of that clinical time even if they don't pay for the devices themselves?

Answer: That's a very important question. And the answer is they do not pay. Medicare nor any of the others do. So those of us that dispense have to bundle that in the initial charge. We've also found if there's any charge for follow-up appointments, repairs, anything like that, people tend not to come in.
So these are the hearing aids that end up in the drawer. What most of us do is to put into the initial purchase price, anything they're going to need over the warranty period of the hearing aid, and most of us add a year or two to the warranty. If a person doesn't have to pay out of pocket once they buy the device, they're much more likely to follow up for what they need.

Question: Bill: Could you give me a guesstimate as to the cost to you - how that has increased over say the last five years. I noted you said right now it cost you about $1200. That's your cost on the item. Is that showing a rapid increase, a moderate increase?

Answer: The price for the hearing aids showed a rather steady sharp increase up until about two to three years ago. I think across the country there was a drop in hearing aid sales related to the economy and it has plateaued a bit. The technology has steadily improved and there are incremental expenses with that. But in the last few years, I have not seen a real steep rise in the prices. Prior to that, we did.

Question: Bill: And this next question may not be one that you can answer, but in dealing with insurance companies, do they offer a rationale as to why this is something they do not want to get into or that they are not into?

Answer: We got a rather terse response, which is that it's not a covered benefit. I can give you my opinion here. I think they're afraid to cover it simply because as we age, we're all going to need some help here, and they see that as a colossal expense. The argument we're trying to make back to them is we think long-term it will save them money. Hearing aids make people more active, more productive, and healthier.

Question: Dolly: In reading the report that I have, it speaks to one of the reasons being that it's not considered a prosthesis. Can you give me your opinion on that?

Answer: I think there is some manipulation of terminology. A hearing aid has to be considered a prosthesis - it's helping correct a medical problem. I think what they have chosen to do is not regard hearing loss as a health issue. And I think that is a mistake. It is a health issue. Much of the data that we have given you supports the improvements in health that hearing aids can provide. I think hearing aid support from insurance companies has been denied simply because they've elected not to see it that way.

John Allen

To answer Mr. Gant's previous question about why hearing aids may not be covered, I think it's ironic that human nature is entering into the picture here. People with hearing loss have difficulty communicating. Communicating to legislators and the community is what it takes to identify a need.
If you can't identify your need, you don't have a lot of power of persuasion. My name is John Allen. I'm a community member of several state, national, county, and local disabilities groups. I'm a member of a family with two Group Health insurance policies. I'm also a member of a family with a disability. I would just like to make four comments or observations to be entered for the record. Some of these are going to answer some of your previous questions.

14 years ago, the ADA. identified four categories of disabilities: Mobility, sight, hearing, and cognitive.
I'd like to read a quote from the ADA. "This act shall not be construed to prohibit or restrict an insurer, hospital, or medical service company, health maintenance organization, or any agent or entity that administers benefit plans or similar organizations from underwriting risks, classifying risks, or administering such risks that are based on or not inconsistent with state law."

Of those four disabilities that I just listed, only hearing loss has not been incorporated into health insurance programs. The other three are covered.

The second observation for the record is that society and health insurances have generally embraced the reimbursement of treatment of self-inflicted, repeat self-inflicted, illnesses, diseases, and injuries caused by chemical abuse, alcohol use, dietary indulgence, and stupid personal decisions resulting in injuries.
Society and health insurances have generally not embraced reimbursement for health treatment of not self-induced hearing loss.

Observation number three is that some persons and groups are downplaying the need for health insurance under the justification that health insurance costs are rising too rapidly. Those two issues are connected solely and

coincidentally by today's economic conditions and not by any conditions of fairness or rightness. Specific example - workers are not ignoring their jobs just because the cost of gasoline to get them there is rising too fast. Then I ask, why should lawmakers ignore hearing health reimbursement just because the cost of health care for other ailments is rising too fast? They're not connected.

Observation number four - Studies in this country have attempted to estimate the cost of hearing aid insurance and the number of claimants coverage should be mandated for by polling hearing health providers, families, and public agencies. I think all of us realize that polling can be skewed by the question format, and in this case, the personal reluctance to reveal family financial priorities. I suggest that we look at the unbiased results of hearing aid use in many European countries with national health programs. In those countries, 3% of the population uses hearing aids. In this country, about 2% of the population wear hearing aids. That's a 50% increase in hearing aid use when the cost is eliminated from the decision making formula. Those are my four observations for the record.

John Taylor
My name is John Taylor. I'm a pediatrician. I've been retired for the past six years, and I'm surprised at how much pediatrics I've forgotten.

My son is profoundly deaf. He came with me many years ago to testify for the house human services committee. It was an interesting hearing because Evan always wants to be part of the action and he wouldn't stay in the audience. And I mistakenly kept a chair next to me, trying to testify and sign to him at the same time, and it was fun but a little bit embarrassing.
Evan couldn't be here today because he now attends Rochester Institute of Technology in New York. He's studying to be an aeronautical engineer. Evan used hearing aids from seven months of age until late elementary school when he recognized that they were no longer helping. He is totally dependent on sign now and hearing aids do not help him, although they did in the early years, and those are key early years.
My wife and I were unemployed at the time, but we paid for them out of savings. He lost or broke them once or twice, but fortunately we had them insured. Not through health insurance, through other insurance. It's a big deal financially for a family to have to manage the cost of hearing aids. All of our friends with deaf children struggled with hearing aid financing, some making really significant sacrifices.
Hearing aids offer a variety of benefits for children.

Correction of hearing loss leads to better speech and language development if offered early and consistently. Both early and consistently are very important here. Appropriate language development is crucial for a positive educational experience. Hearing aids can help a deaf child alert to danger, when a car is coming up from behind the driver expects the child to sense the car in a way, either by noise or by the horn. Does the child hear them? If a child is deaf in both ears and has one hearing aid, does he have directionality for any signal that he gets, does he know where it's coming from? Probably not. With hearing aids, a child can cue to where the speaker is in a conversation. If the child is facing this way, and another person starts talking - if he doesn't have any auditory cues, he doesn't know to turn and look this way. With those cues, he can understand more, and he can fit in socially better. When a child better understands what's happening around him, his frustration is less, behavior is better, and self-esteem improves. With a child happier and the families happier and better able to focus on and deal with problems effectively, it benefits both home and work life. These benefits are not just to the child, not just to the family, but they're benefits to society. Because by reducing the problems that otherwise might occur, society has fewer costs for secondary problems relating to that. I'm sure there are parallel issues in adults. I have not yet experienced that myself, so I can't speak to it. But I'm hearing many people here that can.

The most important thing I want to leave you with is that when hearing aids are not available for hearing impaired kids, the meter is running. Effective education isn't happening when the hearing aids are not there. Picture yourself in a college classroom as a student and for an analogy, suddenly the instructor changes the language of instruction to Chinese. You're lost. Self-esteem and behavior suffer, families are stressed out dealing with the child in crisis, trying to figure out where they can get the funds for a major purchase. Getting new hearing aids is comparable I think to getting all new appliances in your kitchen. But you've got to do it right now. Uou can't think or delay that decision because the meter is running. There needs to be a mechanism in place for promptly getting hearing aids in kids who need them without the major financial burden that falls on their families. The

meter is running. When the cost is spread over an insured population, the cost is minuscule per member and is easily absorbed. This bill provides the mechanism to meet this need. Thank you.

Question: Dolly: Does using a hearing aid in any way delay total hearing loss?

Answer: I think the audiologist could speak best to that, but I don't think it does.

Dolly: He's nodding.

Answer: We have a lot of data from animal studies that I think I can relate to this. It's something called auditory deprivation. If you don't get adequate input, the upper pathways and portions of the brain don't fully develop or they can deteriorate. So there is benefit to having amplification to have proper input. We may not prevent further hearing loss, but we can prevent some deterioration in the more central processes.

And that's the basis for auditory training for a young child. I'm not familiar with how that occurs after you get out of the prelingual phase of brain development, but certainly, it's very true in the young child who has never heard. You want to alert them to sounds, and make sure they can hear as much as possible so that the wires do connect.

Larry Verhei, Hearing, Speech, and Deafness Center

Please bear with me. I'm wearing a number of different hats this morning. So who I'm representing may take a minute here. I'm representing the King County Advisory Committee on ADA and 504 public accommodations. I am the health care task force chair for the Seattle King County Advisory Council on Aging and Disability Services, and also a member of the Governor's Committee on Disability Issues and Employment. And all of these organizations are in favor of the HAIL legislation. I have gone on record supporting this particular legislation.

My day job - since obviously I can't say no to volunteer work - I spent 22 years as a placement specialist for people with disabilities. The last 10 years plus, I've been with the hearing speech and deafness center working particularly with the hard of hearing population doing placement. A couple of things I've heard today, I want to just clarify. I heard about the Lions Club donating hearing aids. I think it's very important to understand that they're donating the equipment. The person who gets the equipment must then go find an audiologist and have the hearing aid fitted, and they must pay for the follow-ups. We as a not-for-profit find it very, very difficult when somebody comes in with equipment to say, we really can't afford to do this much free service and take our clinicians off fee for service that's paying to keep the rest of our education programs going. We have a free hearing aid program that provides hearing aids and fittings for three people a month, so we do 36 a year that we eat all of the cost for the fitting, the follow-up, this sort of thing. It's very difficult when you are not-for-profit, particularly in these days of shrinking funds. And quite frankly, all of us would love to do 50, 100, 200 a year. It's terrible to have to look somebody in the eye and say, yes, you can be helped, but not at the present time. We can put you on the waiting list and you can be helped three months, or six months down the road. We didn't go into this line of work to say no We are all a bunch of people who want to help.

We believe in hearing rehab, and again there is a major study that the veterans administration did on amplification, and I'll try to get that to you. I didn't bring it with me today, but amplification helps with speech recognition, as the audiologists were saying. I'm not a clinician, but from what I've heard in talking to our audiologists, the amplification does retain speech recognition. So if you let it go, you may amplify it, but then it becomes environmental sound and you may not hear it as speech. The Journal of the American Medical Association on April 16, 2003, had an article on screening and management of adult hearing loss in primary care. And their take was that 25-40% of people 65 years of age have hearing loss. By 75, depending on how they define hearing loss, between 40 and 66% of people will have significant hearing loss. And by 80 years of age 80% of the people will have a significant hearing loss. Again, with amplification, that can be helped.

Now, let's talk about the cost. We're talking about $2,000 to $5,000. Well, if a person cannot hear and cannot communicate, in the majority of cases, they cannot work and they cannot pay taxes. Does it make more sense to pay $2,000 upfront and collect $4-5,000 worth of taxes a year from the person who's working or continue to pay

for public assistance and other programs because they're unable to communicate?. The culturally deaf individual from my personal point of view who grew up without hearing, who has made accommodations, understands sign, is much easier to place in today's industry than a late onset hearing loss person who has no coping mechanisms, does not understand assistive devices, will probably not be able to learn sign language very easily because language has developed at a much younger rate. So I say that from a practical fiscal standpoint it makes sense to pay for the hearing aids. Again, other people have mentioned that shifting the cost to a lighter base will make the costs lower. The other thing that will make the costs much lower is if you get insurance companies involved, they simply will not pay the prices that individuals will pay. They will look at the companies and say this is too much mark-up. If you want us to buy X number of units of your aid, we will pay you this amount of money and guess what will happen. The cost for everybody will come down. The other thing from the state government point of view is the state government is a large funder of hearing aids right at the present time. Through public assistance, through Division of Vocational Rehabilitation, Labor and Industries, the state is paying a very good price for a large number of hearing aids. And again, they don't have the clout. They're doing it one counselor at a time, one hearing aid at a time, so the state is paying the full retail price for the hearing aids.

I would encourage you to look at this from a standpoint of does it make good business practice to continue doing what we're doing at the present time?

Question: Karen: You mentioned that your program is able to provide three hearing aids and fittings a month?

Answer: Right.

Question: Karen: How many are on your waiting list?

Answer: We have - without advertising - I mean this is word of mouth of people who know about the program. We have at least a six month waiting period at any given time without advertising. If the word got out, I don't know what our waiting list would be. It's one of those very well-kept secrets we're afraid to let anybody know about, but you know, again, we would love to do more.

Question: Bill: Just a kind of piggy back on the first question. Do you have any idea, and maybe you can't answer this, but of that extensive waiting list and those people that you're serving, how many of those people could actually afford insurance or how many of them in fact have the insurance? How many of that population - how many are we going to impact with this bill?

Answer: We traditionally have served a very low income population. We have been kind of the last resort as a not-for-profit. About 53% of our people are considered low income, which leaves 47% obviously who would be able to afford the insurance, and we do have a lot of insurance companies who will pay for the hearing evaluation, which tells you point blank, yes, I have a hearing loss. And then they say, no, we won't do anything about it. Or have a master audiologist tell you that you have a hearing loss and then tell you, sorry, you can't do anything about it. But there's a large portion of the population that has insurance, but hearing aids are just not covered.

The other problem is that it is such a complex system to try and figure out what is covered, because not only are there 50,000 different insurance companies, there are 867,000 policies – , you know, facetiously. But you have to know exactly what policy number it is to be able to tell somebody. So if they walk in and say, does my insurance cover it, it is too complex to tell. This would make it so much easier because it would be right there. It would be something that people would be entitled to.

Ben Gilbert, SHHH

I'm appearing here to tell a personal story. But I also have the credentials of being a national and state board member of Self Help for Hard of Hearing, SHHH. And also as an editor, having once been a professional journalist, I prepare the monthly newsletter for the Tacoma SHHH group, which keeps my hand in journalism.

Hearing loss is essentially a medical problem - whether the cause stems from inheritance or from a noisy environment. And hearing aids are really are prostheses - appliances designed to correct a very real medical condition that affects some 10% of the overall population. It's called an invisible disability because the impairment cannot be seen. And that's part of our problem, because it's visible, people don't respond to it. And they don't understand the need. And many people think it is professional to conceal their disability.

My hearing loss is essentially a high frequency loss. My hearing test shows a total loss of about 1,000-hertz. Speech resides in the 4,000 to 8,000-hertz range. Without my hearing instruments, I wouldn't hear any consonants. Try to imagine spoken speech without consonants. Yet high frequency loss is very typical of loss that occurs as you get older. I'm 86 years old, and I've been struggling with declining hearing for the past 30 years. Now, I've got some of the consonants back. I wear two instruments, two different instruments and I'm pointing that out because it relates really to this cost issue that we're considering. I have a hearing aid in my left ear - it is a digital hearing aid, state of the art. It enables the audiologist to tailor the instrument to my specific needs. It's not just an amplifier, like the old fashioned hearing aids - that's all they did. This hearing aid tries to grab onto whatever high frequency sounds that I can understand and amplify them over the low frequency sounds which I have less of a problem with. It's a very sophisticated instrument. It's a little computer that's in my ear. And it cost me $2500. I paid all but $250 of that cost because Group Health of Puget Sound gave me a token payment for the hearing aid that they were selling me. They gave me $250. I don't know what their mark-up is, but as Tom Littman suggested, it's very substantial, so they could well afford to give me a $250 benefit as long as I was buying the hearing aid from them. And the benefit wouldn't apply if I had shopped around and tried to get the hearing aid from some other place. But I also have a cochlear implant in my right ear. That involves surgery. And ironically, because it involves surgery, it was paid for completely by Medicare.

The hearing aid cost me $2,250. The cochlear implant didn't cost me anything. But somebody paid more than $20,000 for it between Medicare and Group Health. I think Medicare picked up 80% of the cost and Group Health, to which I pay a fairly substantial monthly premium, picked up the other 20%. So in effect, my cochlear implant was covered because there were two insurance programs, Medicare and Group Health, that paid the entire cost of it. And the cochlear implant is a marvelous instrument, it's given me back practically all the consonants.

In any event, the fact that Medicare will pay for a cochlear implant recognizes that hearing loss is a medical problem. If they didn't consider it a medical problem, they wouldn't pay for it. And it just doesn't make any sense. Because people will want to get a cochlear implant because it's covered. If I only had one hearing aid in, or just the implant, directionality would be a great problem. And that's not only a safety issue, it's a convenience issue. It makes you feel part of society. If somebody's shouting over there, you turn toward them. If you didn't have the proper instruments, you'd be looking all around.

I'd like to make one further point. Many individuals with severe hearing impairment cannot afford the digital hearing aid that they need, so they get a cheaper hearing aid. And the cheapie does not do the job for them. They get disillusioned with the idea that the hearing aid was going to help them; it doesn't help them. So as one of the other speakers said, they take the hearing aid out, put it in the dresser drawer, and try to manage without being able to hear very much. So that's my statement. And I'd be glad to answer any questions. Thank you.

Chris Lund.

Representative Flannigan asked me to come down. My testimony is not from any long--term knowledge of the field, but having a lot of it within my family. I'm a wearer of hearing aids myself for the last seven or eight years. I was in denial as most people are and I think you're going to find the population much larger than most of the estimates are out there because people are in denial about their hearing. It's part vanity. With my grandmother, I know it was vanity, and probably was with me too and the denial. That combination is keeping many people from actually getting help. I believe the medical system itself has put hearing outside the medical practice. And so that means that testing at a very early age and continuing through your life does not happen. It's not part of the program. And I think this bill is going to help get inclusion in the medical system. I think that's a real important point that we've put hearing outside the medical field.

The instances I would like to talk about are, one, I'm retired. I'm 67. And it was obvious to me that the money I put away for retirement was not going to be enough. So I started another little business on my own to earn a little bit more income and to keep active. Without hearing aids, I could not do that. And my particular service is used by this state along with a lot of other people. So it would have taken my productivity and my tax-paying out of the circulation.

I have an uncle that works in health services. He's in his 70s. He has to continue working also. And for him to continue working and get hearing aids, it took me five years to get him in to get tested. He knew he had a hearing loss, but to actually get hearing aids and put them in…. Now, I'm trying to get him to turn them on full bore, so they'll be a little better. But this is a person who helps other people with disabilities, severe disabilities in the health field in this state. To have taken his productivity and his human connection and to be able to work with people in their own homes would have been a big loss in the business. So it's very important what he's going to be able to do.

I have a cousin who's in his mid 60s and he suffers from Parkinson's. And part of Parkinson's is a shutdown of certain systems, which hearing is part of. So he's fortunate enough that he has enough money in his bank account to be able to buy hearing aids. Other people with Parkinson's don't necessarily have that capability. So he's in a position now where he will lose his hearing entirely eventually, but he's been able to have better quality as his Parkinson's progresses. He had a child very late who's playing for the University of Washington basketball team this year, so he'll be able to go to those games, be able to hear, and be able to understand what's going on. He's on his third pair of hearing aids, I believe, within six years. But he benefits by having those particular devices allow him to have a better quality of life during the deterioration of his process.

My grandmother - she was 100 years old when she died. She had a hearing loss probably from the time she was 50 or 60 and didn't get devices until she was 80, couldn't stand it because of vanity, threw them aside, and we shouted for the rest of our lives. So that's a typical problem that older people have. And there's the field, at that time, it was all audio, it was not digital, it was all audio. I'm wearing in my left side an audio still. It feeds back, squeaks very easily. That doesn't happen in the new digital technology. I hope to be able to make that purchase of a couple thousand dollars eventually. In this side, because one of my hearing aids disappeared this morning, I have a little device that is $20, which tells you a little bit about the cost factor that's involved here.

I do believe some of the testimony earlier was that the prices can be driven down by some sort of bulk system. I've talked with the people at Costco. They are moving themselves toward buying one or two single devices from one or two providers in which they will be able to adjust. And when all this happens, like Costco, I think you'll see them in the $500 range because they're buying them in bulk, rather than from six or seven providers. So I think that will change a bit.

The cost of $20, $800 or $900 a few years ago, and $2,500 obviously is a huge difference in what you can hear, what you can do, and what you can accomplish. So I'm not trying to say everybody should go out and buy $20 devices, but anybody can. And those should be around for people. I use them as my emergency ones when one gets misplaced or I lose something. The lifespan for most devices I think is probably closer to three or four years. Again, the denial factor comes in. You don't really recognize that there is a hearing loss going on. This whole denial and vanity thing is a huge part of this whole business.
I couldn't hear birds, could not hear birds. I wouldn't hear this fan if I didn't have my devices on right now. And I don't have that severe of a hearing loss. I could get by if I had to. I wouldn't be able to work, but I could get by.

Those are some of the things that I've run into personally. I have a friend here in Olympia, who just got her first hearing aids at 84. And her eyes have lit up because she can hear things again. She went out and bought a sports car – so watch out for her on the road.

I really support this bill. I think it's very important, to productivity, to economics, and this whole area of how people live and work in our society. It is a major medical problem in my estimation. So just support this bill.

Richard Dorsett, GCDB

Good morning. I usually speak quickly, but I've been practicing to slow down. I'm Richard Dorsett, Executive Director of the Washington Association of Area Agencies on Aging. And I want to speak just a few comments. We were supportive of the legislation introduced by Representative Flannigan and are very pleased that you're having the sunrise hearing today. We believe, I believe, our association believes that this is an issue whose time has come. It's ready. You've heard some testimony already today. It is an aging issue. You've already heard some of the indications of why that is the fact. And it's also a disabilities issue that affects seniors, adults, and children. I can't speak so much to the children's part of the issue, but with seniors and adults with disabilities, this is a tremendously growing issue.

A couple of things are for certain. Our population is aging. In the next 10 years, the population of Washington State is going to look like the population of today's Florida, the demographics, with its aging population. We need to be ready for it. And I think the timeliness of this legislation and sunrise review is right on point. It's time to get ready.

The other thing about the demographics and the aging of the population is baby boomers are aging.
And as I've listened to and heard about issues with this hearing loss, boomers have a disproportionate incidence of hearing loss already occurring. I'm going to be needing it, I guarantee it, and the chances are you will too. And so again, I just want to emphasize this point, that this issue is ready for attention today
to prepare what's going to occur in the next 10 years.

Just a couple of anecdotal things I've heard about. One of my directors provides case management services for about 25,000 low income seniors with disabilities around the state, and we also administer the older Americans Act for the state of Washington, providing services throughout the state. And I'm starting to hear about things like specialized training for how to communicate with people who have dementia or Alzheimer's with hearing loss. And so sort of contemplate that for a second, that you've got people who are trying to stay independent, living in their own homes, and staying independent as long as they possibly can. Add dementia or another impairment on top of the hearing loss. So that's one of the things that I've been starting to observe lately that I haven't heard mentioned in the comments so far today.

And the other thing that's particularly struck me is the life-long expense. I've heard some of the lifelong costs, not so much the one time or the $2-4,000, but from childhood throughout life. And those numbers are pretty staggering. So again, it's another reason where it's particularly struck me with how much people have had to pony up out of their own pockets out of the years and why, again, I think that the timeliness of this is particularly important. And just to close, I think this issue is ready. I think it's timely, and I look forward to hearing your report and see what action you take on it.

Jeannine Hale, HAIL, WA State Grange

Good morning. My name is Jeannine Hale and I'm here representing the Washington State Grange and its over 40,000-plus members. For six years, I worked with the grange and the deaf and hard of hearing throughout the state. A very large percent of our grangers are senior citizens on fixed incomes. Purchasing hearing aids is a great financial burden to those that need them. Many do without hearing aids as they simply cannot afford them. This act greatly affects their family interaction, which often results in family discord. Many stay home in isolation rather than go through the embarrassment of not hearing those around them. Then it's like a snowball gathering momentum. Isolation results in poor physical as well as mental health and ending up dependent on the welfare system.

Some seniors have told me they cannot hear very well, but there's no sense in going to an audiologist, because no matter what the result is, they can't afford the hearing aid. But you know, not all of our members are senior citizens. I've talked to many parents who have children who are hard of hearing and I'm astonished at what I hear. First, their children are sent to special education and speech therapy, which is all very expensive to the taxpayers, but the hearing aids aren't covered. If they had the hearing aids, they wouldn't need the special education, the

speech therapy, and so forth. So it's a balancing act that really doesn't need to be there. When you give them hearing aids, it's amazing what they can accomplish and what I have seen in the children that I have met with and worked with the parents.

They excel in school, go on to college, and from that point, there is no limit. But without hearing aids, that simply would not happen. Some of these children could easily become educational dropouts, face employment barriers, and then like some of the seniors, become dependent on the welfare system. When my children were growing up, we had a tough time just getting them blue jeans and tennis shoes. I can't imagine what it would be like to try and keep just one of them in hearing aids as they grew. I have a brother who lost two feet in an accident. His insurance replaced those feet without batting an eye. My husband has an uncle who lost his arm in a logging accident; he now has prosthesis. His insurance offered no resistance to replacing the arm he lost. If you lose an arm, insurance replaces it; if you lose a leg, insurance replaces it. So why is it that my husband who lost his hearing can't have a prosthesis to fix it? And that's kind of the bottom line. We must do everything we possibly can to see that all hard of hearing people in the state of Washington have appropriate coverage assistance for their hearing needs, no matter who they be. Every person in the state of Washington deserves to live the very best life that we can give them, no matter what their hearing level is.

On behalf of the Washington State Grange, and my hard of hearing friends, I thank you for your time. We have buttons with HAIL on them. It would be great if every one of you walked out wearing them because there's just enough information there to pique their interest. Thank you for your time.

Susan Izak

I am Susan Izak. I'm here to testify. I was born with a hearing loss. I'm one of those kids who had to wear hearing aids since I was two years old. I had very supportive parents and grandparents who helped pay for my hearing aids when I was growing up. And they really do benefit because I would not be talking like this today. They really do benefit me because I need them to use the phone, and I need them to work. I work in a laboratory and I have to use my hearing aids to talk to people one on one. I have to communicate with the doctors, nurses, and the environment that I am in. So I am here because my insurers don't cover hearing aids and I cannot buy them because I've had family to support. I have a daughter who's in college. And it's always something going on in my family. I put off buying hearing aids for a long time. Last time I bought hearing aids was 1992. And both my husband and I are shocked that our insurer stopped covering hearing aids, because I was thinking about buying them, and they told me no, your hearing aids are not covered. A visit to the doctor, yes, but hearing aids, no. So I had to put them off. And I really do use them because I work and I use the phone, everything.

So this is all I have to say. I'm different because I was born with a hearing loss.

Michael Izak

Thank you. My name is Michael Izak. And I'm an attorney at law. I work with deaf and hard of hearing people throughout the state of Washington. I've been involved with different levels of hearing losses.
Once in a while, I'm involved with employment law.

First of all, hearing itself is always a temporary condition. Hearing **loss** is a permanent condition. That means that anyone could lose their hearing at any time for any reason. And it's not within their control to keep the hearing. It happens. Hearing itself, hearing loss itself is treatable. It's not curable however. There are different ways to treat hearing loss. Hearing aids. The hearing loss itself doesn't just affect one person, it affects more people. If one person loses their hearing, it will affect three to four others in different ways - it's a chain reaction. Three to four people in a family, eight to 10 people in a working environment. It affects people all around them. And when the state gets involved, to assist, it's 20 or more people involved.

All of that is expensive. I have many clients throughout the state of Washington. I have one client in Walla Walla who had good job, had medical coverage, and somehow, this individual was 34 years old, just lost his hearing. He

went looking for hearing aids and they were between $2-3,000 each. He had medical coverage, however, it would not cover the hearing aids. So therefore, he cannot work because he cannot hear, so therefore, he no longer has a job. Now, his family was severely impacted by this. And he had to go on welfare, got involved with the department of voc rehab, got some assistance. They got involved, provided training for a new job, for education, for schooling, assisted with many things, counseling. They bought new hearing aids at full retail price, $5,000. I've seen that happen many times. Not only in Walla Walla, but Wenatchee, Yakima, Spokane, Vancouver, you name it, I've been there, it's happened there.

Now let's talk numbers. The hearing aid itself is going to cost between $2-3,000 – it varies. And we know that there are wholesale prices that would be even lower than that $2,000. If you were to buy them in bulk, the public doesn't have that benefit. I subscribe to Group Health. I pay $300-a-month premiums. That's $1,600 a year – and that goes to my insurance provider. The total cost of providing a person assistance because they lose their job is $80,000 to $100,000. Here, we're talking about the price of a hearing aid, $2,000.

You save somebody's job. And then the state's not paying for anything. It's a one-time cost. Really in the long run, the insurance coverage for hearing aids is cheaper for everybody. Over long-term, the lack of coverage, who picks up the cost? If the coverage is denied – the state, the taxpayers, businesses – it multiplies. This bill from what I have seen all over Washington State – this bill does provide the mechanism to meet the needs of people and to save many for many people. Thank you for listening. Do you have any questions?

Question: Dolly: I'm curious if you or anybody else knows of other states that have this kind of coverage for hearing aids?

Answer: Yes. There are many states that are providing different levels of coverage, but they're limited to children only or to a dollar amount. That's still very restrictive and it doesn't cover adults.

Sometimes, some of the coverage is restricted to how many times a person can use it in a lifetime. Hearing loss is an ongoing thing. There are different levels of hearing loss over time. So there is a need.

The coverage has to vary as the person evolves. The coverage needs to also evolve, not just putting a certain number down like the age of a person, how much money, how many times, how many per ear. We don't need that; it's very restrictive. And it's still expensive. Because if a person already has satisfied their quota, and then something happens five years down the road that requires new aids, they go back to the state and the state pays $80,000 to $100,000 to provide services when they could have been simpler to correct and improve the hearing aids; $2,000 is cheaper than $80,000 to $100,000.

Patricia Ring

Good morning. My name is Patricia Ring and I'm here to tell you my personal story. I'm nervous. I've never done anything like this before.

My story started in spring 1998, not too long after my 30th birthday. I was told by a doctor at Group Health that I had genetic hearing loss. And there was nothing he could medically do about it, so go out and get hearing aids. At that age, I felt I was too young. I associated hearing loss with my grandparents.

I thought that there had to be something that they could do for me, so I denied it. For six years, I withdrew socially, work was difficult for me. I was able to work but it was difficult. I would sit in meetings and ask my colleague next to me, what did they just say? Because I couldn't hear them. Somehow, I managed to get my master's degree, but had a good friend who would let me copy her notes. Had I been willing to accept my loss at that time, I could have taken advantage of our learning center and many different things on campus, but I just couldn't admit it.

Last year, I went to a new doctor, and I was told the same thing. But I had six years to prepare myself and had finally come to terms with the fact that I had to do something about it. I wear contacts. I wear glasses to help my

vision. Why was I putting off helping my hearing? My audiologist gave me literature to review. She gave me a price list of different styles of hearing aids, the different categories, and I had plenty of information to help me make the decision. I didn't want something that people could see because still, I was a little bit vain about my hearing loss.

I had the biggest shock probably of my life when I found out my insurance company wouldn't pay a penny. I was looking at anywhere from $1,500 to $5,200, money I didn't have, money I couldn't easily put my hands on. Until I turned to the B of D., which I call Bank of Dad. Luckily, I have very supportive parents, who had wanted me to do something about my hearing, because they were tired, my family was tired of me asking people. And instead of making payments to a bank, I'm making monthly payments that are interest-free and flexible to my parents.

The day I received my hearing aids was the most interesting day of my life. I didn't realize how much I had been missing out on. I walked out of the office and I could hear the birds. I could hear traffic.
And I could hear sirens coming. And I looked around when I heard a siren and I couldn't see anything.

And then about five or six blocks away, I noticed an ambulance coming down the street, and I realized I wouldn't have been able to hear that if I took my hearing aids out right now. And if you asked me a question without the microphone, I probably couldn't hear you. It has made such a difference in my life. I was lucky because I had somebody to fall back on. And at the time, my parents were able to help me. Three years, five years from now, they may not have been able to do such a thing. So I'm glad I took care of it when I did. It has made a difference in my social life. It's made a difference in my work life. I used to be more withdrawn from people because if I was in a conversation and I couldn't hear them in a social gathering, I wouldn't speak. A friend of mine told me just the other night that her husband thought I was a bit snobbish because he said something to me and I didn't respond. And she said, oh, no, she has a hearing loss. But I didn't have my aids at the time, so I didn't hear him.

In closing, I would like to say I fully support this bill. It would have made all the difference in the world to me. And my mom pointed out an article in reader's digest to me this week, so I went and bought the October issue last night. In the state of California, millions of dollars a year are spent on prisoners to receive hearing aids. But the general population can't get them because their insurance companies don't pay for them. Granted, this is the state of Washington. I'd like to know what our prisoners receive. At the end of the article, it says the bottom line is simply this: Premium health care shouldn't be rewarded for robbing a bank. Thank you.

Keith Hyatt, SHHH, Representative Flannigan

My name is Keith Hyatt. I'm the author or compiler of the sunrise applicant report that you probably have in front of you. And I thought I should probably be here in case you had any questions about it.

I also wanted to say just a few things. Or underline a few things that are in that report, that have come up in testimony today.

As I've researched this issue and kind of dug into it a little bit more and started to unpack it, I've come to believe that it's no coincidence that people who have lost all or part of their hearing – one of the fundamental portals of language – have had a difficulty being heard. I don't think it's a coincidence that people with a language impairment, which is what a hearing impairment is, have taken second place in a lot of areas of life to people with louder voices. And I'm really pleased that at this hearing today, their voices were heard loud and clear. I don't think we know how rare it is for people with a hearing loss, because of the nature of that disability, to have a forum where people actually listen to them. It can be frustrating for a lot of people, and I think I'm convinced that that is probably more than any other reason why hearing loss has been treated so differently than vision care. My insurance paid for my eyeglasses. They pay for dental care, but they often treat hearing loss as if it were kind of a subset of medical care.

Most recently, some insurance companies have claimed to be making revolutionary progress in treating hearing loss. What they've come up with is basically what I call the Safeway Club Card of medical care. Basically, some companies, for an additional fee which they're happy to charge you, will give you a card that gives you a 5%

discount or a 10% discount on hearing aids. I get coupons in the Sunday paper for discounts on eyeglasses, but hearing aids? You know, that's the extent of their medical coverage? It's not what I would call a well-structured approach to hearing care. I think another reason that it's often neglected by insurers and by other people is that it's often seen as culturally, well it's often seen as an inevitable part of life, well, you get older, and grandpa – you have to talk a little bit louder to talk to grandpa. Sometimes people smile and chuckle, yeah, grandpa can't hear you, you got to speak up.

But that really understates the impact of hearing loss. And I don't think I need to go into that impact more, I think it's pretty plain in the report and also from the testimony today. But I do think that it plays a role, this idea that it's just part of life. Clearly, it's more than just a regular part of life as some have testified today. Also, one of the things that I found most interesting in researching was the insurer's own rationale for not providing hearing benefits. One of the phrases that I quoted in the report that I found from a report done by the insurance industry, where they were citing potential areas for growth in healthcare insurance, the insurance industry. They were talking about what they called ancillary benefit programs and they dealt with mental, vision, and hearing, saying this is kind of a new thing. This report was saying maybe there's some potential here because it's low cost, and abroad, and there's a potential broad-base of subscribers. And compared to the things these insurance companies are paying for, hearing aids are incredibly low cost. It's a big-bang-for-the-buck item. So this report was saying, hey, here's a profit center, maybe insurance companies should start looking at this.

But what they said, the quote that I lifted that I found most fascinating, was they said insurers don't generally provide benefits for expenses that are "routine, expected, noncatastrophic, and budgetable." But really, I think what we've shown in this report and in testimony is that hearing loss isn't any of these things. Often, it's not routine, it's not budgetable, and nobody expects it. Everybody expects it will happen to someone else, but nobody expects that it will happen to them. And it's especially not expected in children, even though it's the number one birth defect. It's often very catastrophic. I like to put it this way. I spend, we talked about this a little bit earlier today, but I spend about $4,000 a year on insurance premiums. Somebody who has to buy hearing aids, they find out they've got a hearing loss or their child has a hearing loss, now they've got up to come up with another $4,000 for that year. Their health care costs for that year has effectively doubled. Everybody is talking about the high cost of health care. Well, the cost of health care is really high, especially if you've got to shell out for these hearing aids even though you're already paying for health care, you're already paying for insurance, and now, your cost is double and your insurance company is kind of leaving you in the lurch.

Karen Cook talked earlier about some of her struggles when she found her daughter had a hearing loss. And she said that she went through quite a battle when she found out, a battle with the insurance companies, but then a battle also with the schools trying to find out what's the best treatment for her daughter. I documented in the report some of the effects that are pretty well-known of sending a child to special education instead of regular school. The unemployment rate, the dropout rate is incredibly high. And everybody knows that, but schools, we ask so much of our schools already, and we're going to ask them to come up with a hearing healthcare plan that insurance companies dubiously deny? It's not really the role of the school. Nevertheless, sometimes, schools can be manipulated into providing hearing devices. And when they do, they require you leave them at school. What kind of healthcare policy is this? It doesn't make any sense. It doesn't make sense to leave it to the school in the first place, but when it does, it doesn't make sense to say, well, your hearing loss is only a problem at school, I think you need to leave these aids at school, as if language development occurred at school? That occurs at home and everybody knows that. But the people who are getting paid to take care of our people, the health insurance companies who reap profits off of the healthcare business, aren't doing the job. And guess who is? That's what I'm trying to say - Is that hearing loss is expensive. Insurance companies have been reluctant to provide this benefit, saying, hey, look, everybody pays a lot for healthcare premiums, and we don't want their costs to rise. You can't keep expecting us to pay for more and more things and still expect the low premiums.

But the point is people are already paying these costs. It's a question of who do you want to pay them? Do you want us to pay them? Do you want the Lion's Club to pick up the tab? How about public schools? They're doing some of it. Voc rehab – they're doing some of it also. Insurance companies, meanwhile, are still collecting my $4,000 a year and reaping in profits. Hearing loss – this could pass hearing coverage on to the consumer for a cost of about 15 cents per subscriber a month, that's documented in the fiscal note that you've received, and it's

also documented in my report. By all accounts, including the insurance companies' own reports, this is not a high-cost item for them.
It is a high-cost item for individuals who are faced with this, often surprising discovery that now they've got to double their healthcare costs for a year, and they've got to do it right away, because as someone already said, the meter is running. The clock is ticking.

Another problem with relying on groups like the Lion's Club or the Grange to cover hearing loss is that often, and I think rightly so, their priorities are dictated by the income level or the degree of poverty or need of assistance of the applicant, the person who needs help. What that does is leaves in the lurch people who are middle income who have jobs and have health insurance, but don't necessarily have enough money to pay for hearing aids. They can't get help because they have a job and they have insurance. They can't get help from organizations like the Lion's Club. There's a big gap. And we already know this gap exists for other areas of health care, but it specifically exists for people with hearing loss in a big, big way. We've already talked about the lifetime costs of hearing loss. So I won't go into that too much more.

The last thing that I wanted to talk about, is basically that everybody knows that this is a problem. Everybody knows that hearing aids are too expensive for most people to buy on their own. Everybody knows that a lot of times people will cite as evidence, well, people are getting hearing aids somehow, so there's no reason for the state to step in and make insurance companies do something they don't want to do. Yeah, it's a financial difficulty, but people, you know, they find a way. They make a way. The truth is that when people are forced to find a way or make their own way, one, the meter's running, it costs not just money, but it costs learning development and it costs years of isolation. Everybody here has a story of how long it took them before they finally got the help. Secondly, when they get hearing aids from the Lion's Club or other groups, often, they'll get used hearing aids. That's what they've got available. They're not getting top-of-the-line state-of-the-art hearing aids. There are people in the coalition behind this movement that are wearing 20-year-old hearing aids. They can't afford to buy new ones. People are making do, but they're not making do in a way that I think is really justifiable or okay. I think there are companies out there who are making profits by providing healthcare, but they're denying this because they're saying, well, it's routine, it's noncatastrophic, it's expected. What about birth control? My insurance company covers birth control? That's routine, that's noncatastrophic, that's expected. But they're happy to cover that for some reason. I think it's one of those things where the people with the louder voice have really been listened to, and people who by the very nature of their disability have been ignored. So I just wanted to share those thoughts with you.

There was another thing I thought about mentioning. I guess I'll leave it to you to ask about if you want. But you may be interested in some of these other private-sector efforts to lower the costs of hearing aids like the Costco plan or maybe you've heard about buying hearing aids over the Internet. Maybe you've gotten dubious looking e-mails in your inbox from people offering hearing aids in addition to other bodily enhancing products. That's something that we've talked a lot about – it's something that we're aware of. And everyone kind of wishes would work. I mean it would be great if I could just order a hearing aid off the Internet, or stop by the warehouse and pick one up. The problem is that that's not really how hearing aids work, not yet. Maybe one day. But it's not in the foreseeable future.

Most people don't know that misuse of a hearing aid can cause bleeding of the ear – it can cause serious injury. It's something that has been regulated for many years by the federal government, the dispensing of hearing aids is only to be done in a certain way unless you sign a waiver saying, okay, well, whatever bad things happen to me, I guess I'll take it upon myself. It's not something that you can do just on your own. And it's certainly not something that's effective if done on your own. I think that's one of the biggest things that's come out of testimony today is the importance of having the right tuning, the right adjustments, the right training, to go along with the hearing aid. Otherwise, they don't work as well as they could.

The other area that I thought you might be interested in is why insurance companies haven't provided this in the past. Have there been court challenges that would show that policies are out of compliance with the ADA? And that's an interesting issue. I think it's kind of beside the point of this issue, but it's an interesting issue. A lot of times, it brings up philosophical debates about the value of mandating any kind of health benefit. And we've seen that political position taken by some people recently, the idea that you shouldn't ever mandate health benefits.

One federal judge said it's like (I'm not making this up) the comparison he made was it's like asking (he wasn't talking about hearing aids – he was talking about requiring an insurance company to provide coverage levels for HIV and AIDS-related illnesses) but he said that it was like requiring a shoe store owner to offer a one-legged man only one shoe at half price instead of a pair of shoes. And he said that, well, you can't do that. You can't require a shoe store company to sell something that they don't want to sell. I think there are a million reasons why that analogy is flawed.

And we already know because we have a sunrise process, that there are times when it's the right thing to do to mandate insurance coverage, insurance benefits for certain things. Everybody agrees, in this state, that there are times when that's necessary. Nobody wants to abuse it, because it's not an easy thing for the state to do. That's why you're here, and that's why the sunrise process exists, as kind of a filter to make sure we don't just willy-nilly start requiring insurance companies to do things they can't do or don't want to do. But I think you'll find through this process that this issue is exactly the kind of thing sunrise was set up for – an issue that for whatever reason, insurance companies have had to step up the plate to do what they're being paid to do. I can't imagine that they would lose money on this. They just don't want it to be part of their business. This is something where the state has to ask, okay, somebody's paying for it, hearing aids already cost money. There's only one person out there making money off it. It's not the Lion's Club, not the grange, and it's not the individuals or families. Somebody's making money off health care – that's insurance companies. But who's footing the bill for hearing loss? Well, that's you and me, our public schools, voc rehab programs, and mostly, it's the families of people with hearing loss. Anyway, I'll close with that. And if you have any questions for me, I'd be happy to take them.

Question: Bill: Thank you. I just have one or two items that basically are kind of clarifications for me. In your research into the reasons for or reasons against the process in providing this service from the insurance companies, is part of the problem with the insurance companies in the definition of prostheses themselves?

Answer: Yes. I think you may already know from your own experience as I do, that insurance companies will narrowly construe any word to mean as little as possible. I just got a notice from my car insurance company that redefined motor vehicle so that it didn't include things like motorized wheelchairs. So they're always finding ways to trim down exactly what it is they cover. At the same time, my rates went up. But now, my motor wheelchair isn't covered or my scooter. But I think that's what's going on. Honestly, I really believe that it's just a business decision. How can we trim off some money?

And nobody, I mean nobody's forcing them to construe it any particular way. I am, as doctors will tell you, they can't figure out why a hearing aid isn't considered a prosthesis, but I can tell you this. They don't ignore it in their policies. I've read them, they don't just ignore it and say, well, oh, we never thought of it, but no, it's not covered. They specifically have items in the same section saying this shall never be construed to mean hearing aid. And it will specifically say it shall not mean hearing aid or services related to hearing loss. I don't know why. Well, yes, I do. Yes, I do. It's money.

Question: Bill: Are there other things not covered in this circle of prosthetic definitions? Obviously, hearing aid jumps right out at you.

Answer: Yeah. And that's what I was looking for. But I can tell you in the sections that I read, that's the only thing that's always brought up. There are other things that vary from plan to plan.
Some will exclude birth control while others don't, some will exclude other types of what they call nontraditional treatments, eastern medicine, that type of thing. But the one thing that I found in every single one is exclusion of hearing aids, all of them, across the board. I even found because one of your questions was how successful have efforts at collective bargaining been? So that was something I dug into and found that selective bargaining has really not given anything in the way of hearing aids, because there's no collective of people with hearing loss who are trying to lobby their employers to provide the services. One, what employee wants to go to their boss and say I really can't do my job, could you help me out? Nobody wants to do that. And secondly, it's by its very nature that it's hard to make those kind of connections. But I was kind of excited because I thought maybe there had been some success by the federal employees unions, because I thought, well, that's pretty big. You know, on that big of a level, you're going to get enough people with hearing loss that there'll be some lobbying. And they got

some token coverage, which I think I mentioned in the report in a couple of states, but not Washington, and not for the foreseeable future. When they renegotiated the contracts, they specifically excluded hearing aids.

Question: Bill: If I could just ask one more clarification. One of the things that they'll be asking me as a public member when I discuss this with people that I'm familiar with, is that in reading this report it becomes a very simple process because it really isn't going to cost all that much. The insurance companies are saying this. The report is saying this. The question to me is, do we have something in place that is going to require those insurance companies not to just arbitrarily raise that just because we're forcing them to place this as a part of their policy. In other words, is there something in place that is going to change that 30 cents to $4.50?

Answer: Yeah. That's a great question. That's something that probably should be in the bill, I think. It's not right now. In fact, the bill doesn't specify any level of coverage that they have to provide either, yet it probably should before it reaches its final form. Nobody wants to fix a dollar value because it will be out of date tomorrow. What the state did was when they prepared the fiscal note was look at what coverage levels insurance companies provide for prosthetics. And they assumed that the intent of the bill was just to treat them exactly the same as a prosthetic, which I think is probably a fair way to look at it, maybe the best way. But at any rate, they figured out what the 80/20 coverage was and they estimated the cost of hearing aids and they estimated that based on some numbers available in the note. But the point is if they only pass on the cost, it comes out to that 15 cents. It comes out to about 2 %, I mean 2 cents per subscriber and 13 for the state to pay for basic health. And then it differs for other plans. There's nothing that prevents them from raising their rates, which I think maybe is the way it should stay. They're gonna freak out if anybody tries to prevent them from covering their costs. And I don't think it's something that we can control with this bill. I wish there were a way to say you can only increase your costs by this much, but on the other hand, one thing that people with hearing loss - they've struck me by how none of them want to force anybody to do anything they don't want to do. Everybody here has the sense that this is good business for insurance companies. Nobody wants to make them pay and pay. Everybody's willing to keep paying their premiums and even pay the 2 cents a month extra that it would cost or 15 cents a month. It's not that big a deal for most people. Especially when you know that somebody you know is going to have a hearing loss at some point in your life, it's inevitable, it is a statistical inevitability, and probably you need it. It's such a small cost, people don't mind paying that small of an increase. The argument from the insurance company is this opens the flood gates so now you can mandate all these other things, but they've got to get through your people first before you can mandate a benefit. It's not an easy process as we found out.

Question: Karen: And I have a follow-up on the cost question - the 15 cents per month per subscriber you were mentioning. Is that just for the units themselves? Because one of the things that's come up today is the additional costs that are needed for the essential clinical component?

Answer: If I'm not mistaken, that covered the cost of the equipment, and excluded the cost of batteries and other ancillary supplies. And it covered the cost of the visit. And usually, what will happen is you'll pay an upfront fee to the audiologists and any of the audiologists can correct me if I'm wrong, but then they comp your visits once you pay the upfront fee, so it did include that.

Question: Karen: So as so often happens - we have sophisticated technology that's very expensive at first and then the cost comes down eventually. So hopefully with market pressure for bulk purchasing and so on, the costs of equipment might go down. But the clinical component wouldn't be likely to decrease, right?

Answer: That's an interesting question that audiologists probably could answer. My belief is that especially managed care makes more of a profit off of hiring audiologists and having staff at their managed care locations. So I don't think that they're going to have a big objection to that. That is an interesting thing about hearing aids, the cost hasn't come down yet. And we can't see around the corner at what technology is out there. But as computers get cheaper, hearing aids haven't. The Wall Street Journal wrote a series of articles about that last year. The answer is nobody's really that sure. There's a lot of debate, and the answer is a political answer. Thank you.

Chris Ensor, Tacoma Area Coalition of Individuals with Disabilities (TACID)

My name is Chris Ensor, and I'm executive director of TACID. Our mission is to promote the independence of individuals with disabilities. TACID is one of six regional service centers who contract with the Washington State Office for the Deaf and Hard of Hearing within DSHS. TACID's service region is Pierce, Thurston, Kitsap, Grays Harbor, and Mason counties. The hearing-impaired population of this region is estimated at over 125,000 of which just over 2,500 are deaf. These are 2000 estimates from the Washington State Office of Financial Management and the statewide estimate at that time was just over 5,840,000 hearing-impaired and, I beg your pardon, 11,700 deaf. I couldn't tell you how many of that population would benefit from hearing aids. It would probably be a large percentage. Under our contract with ODHH, TACID's program to the deaf and hard of hearing people in this region includes information and referral, education and training, communication access and advocacy and a video communications project. TACID does not provide new or refurbished hearing aids or financial assistance for the purchase of adaptive listening devices, however we do provide an information and referral service including toll-free voice and TTY access to assist deaf and hard of hearing people to find the services and resources that will assist them in remaining independent. We have received many different types of inquiries related to deafness and hearing loss. In the period September 2003 to August 2004, TACID received 35 requests for financial assistance from hard of hearing people wishing to purchase hearing aids. Generally, we refer these requests to the northwest Lion's Club hearing aid bank and others. These organizations do not normally provide financial assistance to buy new hearing aids.

They refurbish used donated equipment. But inquiries indicate that only about half actually contact them. Of those who do, some do not wish to pursue their request when they realize the paperwork involved. We believe the fact that the hearing aids have been used before is also a deterrent. In several situations, people have needed more sophisticated equipment such as remote controls due to other disabilities that are more costly and less likely to be available through donation programs. The 35 requests for hearing aid assistance was out of a total of approximately 1,200 information referral inquiries we received for deaf and hard of hearing people in that same 12 months. Although the number for hearing aid assistance was relatively small, I believe this greatly underestimates the extent of the actual need. TACID's services and knowledge of these services is probably limited outside of Pierce County. The majority of requests we received are for younger hearing-impaired people where it's not always useful for an aid. Although they would like to help the senior population in partnership for self-help with the hard of hearing, we have not come up with an effective strategy for this. Legislation that would enable people on low-to-moderate incomes who have received recommendations for hearing aids to purchase new equipment would be extremely beneficial to the great number of people in our state who are experiencing hearing loss due to age-related and other causes. Thank you for considering this testimony. I'd be happy to answer any questions.

Pam Lovinger invited anyone else in the audience who hasn't had an opportunity to testify to testify now.

Michael Izak

I've already testified, but I just thought of a comment that I would like to add. Thank you for hearing me out. About the prosthesis question, I just realized that the cost of hearing aids and training and treatment is much cheaper than providing the cost of providing the surgery, the prosthesis, and the training for a person who has lost a limb or an arm. There's a major price difference. So when you up looking at the numbers for this fiscal year, insurance policies about prosthesis, you have to keep in mind that the numbers for those involve surgeries, treatment, things that take many months, training, and fitting, compared to the hearing aid, which is a walk-in, and doesn't require surgery or a hospitalization. Thank you.

Rick Font

My name is Rick Font and I'm the president of the State Association for Self Help for Hard of Hearing.
I didn't really want to get up and say anything, because everybody else in this room has very eloquently said everything I wanted to say, although there was one point. The federal government, the veteran's administration, will give a hearing aid to veterans meeting their criteria. They will typically give a hearing aid every three to four years and will replace the hearing aids they have issued. The federal government has recognized that there is a life to a hearing aid, a need to a hearing aid, between physiological changes in the body and technological changes in

the hearing aid, and this life span is relatively narrow. So it's a continuing, ongoing thing. One other point that was brought up, if a hearing aid is not placed when a person needs the amplification and the help, you essentially have atrophy of the brain. The brain forgets how to learn, how to hear and how to process that information. So if as a child you need a hearing aid and do not get one, by the time you reach self-sufficiency as an adult, then you can buy your hearing aids, but it's too damn late because your brain can't do anything with that information. That's about all I have to say. Thank you.

Juan Alaniz, Health Care Authority

I'm with the Health Care Authority and just have a point of clarification. The proponents accurately reflected the cost of the hearing aids as we report in the fiscal note. And that was the range between 13 and 30 cents per member per month. And I thought I'd bring that up because in the testimony, there was repeated reference to 15 cents. So I want to say that the way the bill is written now, for instance, needs some clarification and needs some help in determining – the bill doesn't state, for example, whether the provider recommendation for the hearing aid services would have to be through a prescription or there would be medical necessity in order to get them. The absence of that would, of course, mean that the managed care organizations or the health plan would then have to determine how to administer the benefit. Thank you.

John Allen

I'm John Allen again. And I have an answer to one of the questions and I forget which one of you board members asked it. Your question asked, has there been any collective bargaining influence on group health insurance for hearing aids? The answer to that question is, and you're going to understand you already know the answer, most collective bargaining units that may be interested in hearing aid coverage have a virtual golden parachute. That is, they already have public coverage by their occupational, on the job coverage contracts through either OSHA, or in the state L & I. And L & I has contracts with most major employers to provide hearing aid coverage for employees that may be in a collective bargaining unit. So for that reason, most collective bargaining units have not pursued group insurance.

Question: Dolly: I have a question. It's not necessarily related to what you just said, it's a thought that has crossed my mind. I've heard several times about using a hearing aid, that there is the denial, there is the vanity, and sometimes it takes a while before a person will get a hearing aid. The other part I heard was that sometimes a hearing aid is not used. I'm wondering if there are any numbers that would be a concern in terms of providing a hearing aid and then it not being used. Are the numbers pretty high in terms of people not using them? Because that might be used as a concern to provide hearing aids.

Answer: I'm not the person to answer that question. And I don't know-- can somebody answer that?

Answer: Tom?: Again, I'm not a clinician, but pretty standard with fitting of hearing aids is the opportunity for demonstration of several different types of hearing aids before the purchase is made. The quality – there's a difference between audiologists and dispensers - there's two different categories here, but with most quality audiologists, there will be a demonstration. There will be fitting, and it will be a program of between six months and a year follow-up so that if the digitals have different ranges to be programmed, if there is not a correct fit, maybe it's beautiful for the office, but outside in a noisy environment, they may need to be fine-tuned, that's where a lot of the older hearing aids have ended up in the drawer. The amplification, the person walked outside and the bus blew them against the side of the building, and they took the hearing aid out and said I don't need this. The newer technologies are such that there are fewer of the people not wearing the hearing aids. So I think some of that problem has already been solved.

Answer: Tom Littman from Virginia Mason: In follow-up to the question on hearing aids that end up in drawers, there is a protection for consumers by state law. The new hearing aids have to have at least a 30-day trial period. During that time, they can be returned for refund or purchase price. It's the time between the hearing aid user and the dispenser that's critical to the success. If there's fine-tuning that needs to be done, more counseling

that takes place during that period, that usually prevents the hearing aid ending up in the drawer. If a patient isn't going to use it or wear it, we ask them to return it, and they get their money back.

Karin Cook

My daughter is 13 and hard of hearing. Her first set of hearing aids, I wanted to clarify, were donated by the Lion's Club. They were a year old and we also had to pay $1,800 to have them refurbished, checked over and then they were warranteed for another year. I've checked our insurance benefit for prosthetics.

If we actually needed an arm today, we would be covered 100% up to $5,000. If she were to have a cochlear implant, which is an astronomical amount of money, it would cost us $750. Ashley's ear molds, every time she grows we have to buy not just new jeans, but ear molds. These are $150. She has an assisted listening device that belongs to the school in addition to her hearing aids. I don't know any other 13-year-old other than one with a hearing loss that's walking around with close to $8,000 on their body. So those are just other examples.

Susan Izak

I know from personal experience that you talk to people with hearing aids who put them back in their drawer. Well, I could think of different possibilities from my own personal experience. The ear mold does not fit right, feed back. Eeee. You just have to educate the audiologists and the people what to do when they have a problem, because I grew up with hearing aids. I know what to do. But it might have a problem with sounds, like the outside, or the ear, or it's very loud, when you check the hearing. But for other people, they put their hearing aids in the drawer, it's just that they may not know what to do. Because maybe the ear mold is giving them a problem, feedback. I'm just speaking from my personal experience.

Ben Gilbert

I want to tell a brief anecdote about my late brother-in-law who was very severely hearing-impaired. By gentle persuasion by his wife and by me, he bought a set of hearing aids. He put them in his ears and he heard such loud sounds for the first time in a long time, that he just couldn't stand it. And he took them out and put them in a drawer and they stayed there for 10 years. Finally, his hearing had gotten so bad that he took them out, and then we were able to persuade him to get an up-to-date set of hearing aids. He just wasn't fitted properly in the first place, and he didn't get the counseling that he needed. I suppose he got a bargain set of hearing aids initially. And I think this goes to the process of why it is costly because there is no cheap way to do it.

APPENDIX: D

Participant List

Hearing Aid Mandated Benefit Sunrise
Public Hearing Participant List
October 1, 2004

NAME	ORGANIZATION
Penny Allen, Applicant	SHHH
Karin Cook	Parent
Tom Littman	Virginia Mason Medical Center
John Allen	Family Member
John Taylor	Parent/Pediatrician
Larry Verhei	Hearing Speech and Deafness Center
Ben Gilbert	SHHH
Lona Jennings	SHHH
Melissa Johnson	Washington Speech and Hearing Association
Emily Hill	ODHH
Chris Lund	Self
Richard Dorsett	WHA
Toby Olson	GLDB
Jeannine Hale	HAIL, Washington State Grange
Susan Isak	Self
Michael Izak	Law Office Izak
Maralise Hood	Representative Flannigan
Reba Olsen	SSSH and HAIL
Patricia Ring	Self
Keith Hiatt	Representative Flannigan and SHHH
Chris Ensor	TACID
Juan Alaniz	Washington State Health Care Authority

Review Panel

Karen Jensen, Department of Health
Dolly Fernandes, Department of Health
Bill Gant, Public Member

Department of Health Staff

Pamela Lovinger
Sherry Thomas
Bob Nicoloff
Diane Young

APPENDIX: E

Written Comments

2004 Hearing Aid Mandated Benefits Sunrise Review
Written Comments

I wanted to comment that it would be a great benefit to have hearing aids covered by insurance. My son is 13 years old and moderately hard of hearing - for example in a large classroom he hears only about half of what is going on. Hearing aids that fit in the ear will cost about $5,000. At his age, he is unwilling to wear more visible ones because other kids make fun of him. It is a major investment for us to buy these hearing aids, and in fact do not have the money to buy them.
Barbara Donovan

I strongly support the bill mandating coverage for hearing aids if the coverage already covers prosthetic devices. Health care plans routinely cover glasses or contact lenses. Dental plans often cover braces. Why are hearing aids excluded from coverage when the ability to hear is so much more important to an individual's functioning than are straight teeth? My husband wears a hearing aid, but he only has a device for one ear although his hearing is severely deficient in both ears. But the hearing aid costs so much that we could not afford one for each ear. Many people who need hearing aids have none. The quality of their lives – both personally and professionally – are severely diminished by their hearing loss. I encourage the passage of this bill.
Ivey West, Coordinator of Disabilities Services
University of Puget Sound

This email is in support of mandating that health insurance cover hearing aids. I have been wearing hearing aids for about 25 years. Each time that I have needed a new aid, the cost has gone up at a geometric rate. The last hearing aid I bought, and it was not the most expensive, was $2,300 for one aid. My hearing loss in one ear is so far gone a hearing aid would not help. Had I needed two aids the cost would have been close to $5,000.

I am a member and chapter president of the organization Self Help for Hard of Hearing (SHHH). I meet many people with profound hearing loss. I also know of people who do not have a hearing aid because they are too costly.

An argument you will receive against a mandated requirement is that health insurance is already too high and adding more coverage will only make the insurance that much more difficult to acquire. The breakdown that I have seen as to added premium cost is really small when compared to the overall cost of the insurance. An added bonus with hearing aid coverage was explained to me by my audiologist and it made sense. If more hearing impaired people can get hearing aids through their insurance provider, the competition would increase, probably causing the costs to decrease. Does not that sound like a win-win situation?

Hearing is a vital part of the human social contact. Loss of hearing can cause people to pull back, to be out of those contacts which are so important to our life. By all means the Department of Health should approve the Sunrise Review for Hearing Aid Insurance and move it on to the 2005 Legislative session.
Danny Beatty

I am hearing impaired, and have been all my life. Unfortunately I am one of the thousand of people that it is best to wear two hearing aids to get full maximum of hearing and speech recognition. Also please, be aware, just because a person is wearing a hearing aid, does not mean they are hearing 100, those people will never hear 100%, often times not are there only one family member that is hard of hearing, but sometimes multiple numbers. In my lifetime, I have had to purchased 12 sets of hearing aids and all out of pocket expense. I would like to see hearing aid purchased have the same insurance coverage as a person that wears parthesis (sp), and often times as a growing person, has to have more then one, as well as most hearing impaired people lose more of their hearing as time goes on.
Myrna

Please included my name to support this HAIL as I m hearing impaired all my life. I wear hearing aid to order to hear what surround me. Without it, my life will have no sunshine as I would not know what it be said. I now see the prices of purchasing a hearing aid without a help of insurance will cost me a concern to able to afford the payment. Please pass this bill so all of us will lighten our lives to hear again.
Annette Johnson, Edmonds, WA

I feel this bill is extremely important because hearing impairment is just as much a physical malady as any other and can dramatically interfere with a persons ability to function at optimal levels. I feel it is imperative that insurance plans cover any and all treatment and apparatuses necessary to bring a persons hearing ability as close to normal as possible.
Noelle Schwartz

I think hearing aids should be covered under regular health insurance. Its not that persons fault that they are hearing impaired. Its alot of money to pay out of pocket and in todays society, its hard enough....
Wyatt Johnson

Just wanted to let you know that support of this bill to make hearing aids available through the health benefit is the right thing to do. This is just as important as any aid for helping a child thrive and excel. I fully support this and would like you to do so as well.
Pamela H. Sagoian

I am so sorry that I was not able to be at the public hearing for hearing aid insurance legislation on October 1st. With three small children it is difficult for me to attend such events. But I am able to write letters, and that is what I am doing today. Two of our three children are hearing impaired. I write about our oldest child Emily. Therefore my view of this legislation is as a parent of hearing impaired children, and not as an elderly person who gradually loses their hearing. The reason why I especially believe that hearing aids should be covered for hearing impaired children (even if not for the general population) is that so much of their development and future potential is at stake. By not providing access to sound for these children, society is creating an isolated individual who will probably never reach his or her highest potential.

In January of 2000 our oldest child, Emily, was born hearing impaired. We later discovered that this impairment was due to a specific medical condition termed Enlarged Vestibular Aqueduct Syndrome (EVA). EVA is potentially part of the genetic condition Pendred's Syndrome. We will be participating in genetic research later this year to determine if Emily indeed does have Pendred's Syndrome, and if both Greg and I are carriers.

The definition of "durable medical equipment and prosthetics" as given in the employee handbook describing our health insurance through my husband's employer (King County) states that "durable medical equipment is covered if: designed for prolonged use, it has specific therapeutic purpose in treating your illness or injury, prescribed by your physician, and primarily and customarily used only for medical purposes." In Emily's case, her hearing aids pass all four tests defining durable equipment and prosthetics, yet our plan specifically limits coverage for hearing aids to $500 every three years. This is a great disparity for hearing impaired people simply because the durable medical equipment their condition requires is called a "hearing aid." On average, a pair of hearing aids can easily cost over $3,000. If the hearing aid were instead called a piece of "durable medical equipment" or a "prosthesis", our plan would pay 80% of the cost. As our plan now reads, a pair of $3,000 hearing aids results in the patient having to pay $1,900 more out of his own pocket. And if those hearing aids need to be repaired at all during those three years (which, with children being the wearers of them, is often the case), the cost of any repairs will be paid in full by the parents.

When a child is born with a hearing loss, many times their disability can be remedied with the use of hearing aids. Otherwise, they are isolated by being required to learn a language (American Sign Language (ASL)) that only .2% of the American population can use. They will daily require translators for their simplest requests, their social interactions will be limited to a very small circle of people, and a myriad of safety concerns will hound them due to the inability to hear daily noises we take for granted, like car horns or alarms. They are also unable to appreciate music or hear simple sounds around the house.

Parents with children who have disabilities are often fighting three battles at once. The first battle is the emotional one. This includes, among other things, the overwhelming feeling of desperation upon first being told of your child's disability and the daily search for hope to overcome this disability and to lead a "normal" life. The second battle is one of time and scheduling. Along with a disability comes an endless stream of doctor's appointments, therapy sessions, coordinating child care for other children in the family, and time spent driving to all these care providers. Instead of taking ballet classes or swim lessons, these children often spend

time in clinics to treat their disability. The third battle is the financial one. Somehow all these appointments, therapy and the required equipment need to be paid for. Professionals' expertise and medical equipment do not come cheaply and these families' finances are spread very thin trying to give their child what will hopefully give them a "normal" life. For hearing-impaired children, the equipment that most helps them is hearing aids. If health insurance would cover these devices, this would give these families a victory in one of the daily battles they wage.

We have seen such tremendous success in Emily with her use of hearing aids. Most people do not believe that she is hearing-impaired until they actually see her hearing aids because she speaks with no deaf accent, has an amazing vocabulary, uses proper grammar and is easily understood even by an unfamiliar listener. Our school district can not find any basis to give Emily special education of any kind. Think of the savings our school district will reap in not having to provide a full-time translator or teacher's aide for Emily's every classroom hour. Emily plays with confidence with the other children in the neighborhood. I think some of the older children know that she wears something behind her ears, but have not clued into what it really is because they see no difference between them and her.

Providing hearing aids to adults who have already acquired their language skills is so much different than for children who have yet to say their first word or are building their vocabulary. These children need to acquire spoken language and the ability to communicate with the world around them. Hearing aids for hearing impaired children is crucial to their well-being, educational advancement, and employment potential. Language is most readily acquired in early childhood. Our speech therapist told us that 80 of a person's language is acquired by age five. If a hearing impaired child is denied access to sound, their ability to acquire a spoken language is greatly diminished.

If Emily did not have hearing aids, she would most likely need to learn ASL as her primary mode of communication. In 1993 the average cost of a kindergarten through 12th grade education for a hearing child in the state of Rhode Island was $9,000, for a hearing impaired or deaf child in a local mainstream school $44,000, and for a hearing impaired or deaf child at a deaf residential school $429,000. (Source: Warren Estabrooks' book "Cochlear Implants for Kids.") This difference in cost shocked me the first time I read it. Obviously a pair of hearing aids costing approximately $3,000 which last three to five years and allow a child to participate in their local school without any extra assistance is a better investment of our money. On average, students at a deaf residential school can expect to attain a fourth grade reading level upon graduation from high school. (Source: Warren Estabrooks' book "Cochlear Implants for Kids.") The negative implications for their future based on these statistics is obvious.

We are a society whose communication is based on speech and hearing. Society is not going to change for a small number of disabled people. But society should not be required to because there is proven and easily accessible technology that can alleviate many of the affects of a hearing impaired person's disability. Unfortunately, this technology is not free. As I have stated, a pair of hearing aids can easily cost over $3,000. Undoubtedly the benefits outweigh the costs. These benefits are felt by all of society, but the cost is currently borne only by the parents of hearing impaired children unless their health insurance covers hearing aids. Paying for these on our own creates a heavy financial strain on our family. Those who do not have financial help may be forced to forgo buying hearing aids and get by on what residual hearing the child may have. As stated earlier, this isolates the child and excludes them from so much: from forming friendships, from excelling in school, from listening to the car radio, and so much more. Hearing aids are not a luxury to these children, they are a necessity, just like a wheelchair is to a child who is crippled, or a prosthetic limb is to a child who has lost a natural one. Our insurance plan currently covers artificial limbs or eyes, casts and splints, diabetic equipment, wheelchairs, hospital beds and hairpieces as durable medical equipment or prosthetics. None of these correct the medical condition for which they are used, but only enhance the quality of the recipient's life. A hearing aid does not give Emily back her natural hearing, but enhances her residual hearing and makes it usable. Again, our health insurance will pay for the hearing tests required to diagnose a hearing loss and the speech therapy to improve her listening and speaking skills, but not the crucial piece of equipment to "treat" her ailment. This makes no sense to either me or my husband. As parents of a hearing impaired child, we are requesting that you mandate coverage of hearing aids in all health insurance plans in our state, the same as any other piece of durable medical equipment.

Hearing and vision are the two primary senses that we rely so heavily upon. Without hearing aids, one of these is being taken away from my child. I urge you to do what is right for my child, other hearing impaired

individuals and society at large. Health insurance plans need to cover hearing aids on par with other durable medical equipment.

Thank you for your time and attention to this matter. If you have any further questions or would like to speak to Greg or me about any of these issues, we can be reached at:

Greg & Ann Fullington

My name is Ben Gilbert, a resident of Tacoma for more than 20 years. I would like to amplify the testimony I presented at the Department of Health sunrise review hearing.

As a person with a severe to profound hearing loss, I strongly support legislation to mandate insurance for hearing aids. There are too many people "out there" whose ability to communicate and maintain normal social contacts and work to the best of their abilities are severely affected because they lack the hearing instruments they need.

I am an active member of SHHH (Self-Help for Hard of Hearing People) in Tacoma, an elected member of the SHHH national board and of the state SHHH board and also serve as editor of the Tacoma-SHHH monthly newspaper, "Speaking Up."

A personal note: My hearing loss has been progressive, severely impacting my ability to communicate effectively for more than thirty years. I've had limited hearing in the high frequency sounds that supports 80 percent of the consonants in spoken words. I received my first hearing aids in 1983, and since then, I've gone through six generations of hearing aids, getting more improved - and more expensive aids - to keep up with declining hearing. Finally, three years ago, I supplemented a hearing aid in one ear with a cochlear implant at the other ear. The combination works well for me.

Ironically, as I noted at the hearing, the cochlear implant surgery, costing upwards of $20,000, was fully covered by Medicare and Group Health. I received $250 from Group Health to cover a hearing aid costing $2,500. I'm grateful for the support I've received. However, hearing, although evidently considered a medical problem, is being handled in an oddly selective way.

Fortunately, I have been able to afford hearing instruments needed to maintain a workable level of hearing. However, I have friends and associates in SHHH who struggle with the best hearing instruments they can afford. Unfortunately they often are not good enough for effective communication. Some do without needed hearing aids, unable to afford them.

Social isolation is one of the consequences of reduced hearing. Sometimes the trauma of that isolation leads to depression. It also can affect one's employability, particularly for jobs that require use of the telephone and technical conversations with customers. Properly fitted hearing instruments can do much to help a high proportion of people with diminished hearing.

It is difficult to measure the economic costs of social isolation and reduced employment opportunity, but those are consequences that society as a whole should strive to remedy on behalf of the 10 percent of the population that suffers hearing loss. The proposed legislation would spread instrument costs to a wider population, with many of them benefiting as they age and experience increased hearing loss.

My hearing loss has brought me into contact with many wonderful people who are doing the best they can to continue to communicate and enjoy life. The testimony received by the department has included many of their stories. Unfortunately, there are too many who don't know where to turn. The proposed legislation will be a great help to them. Please provide the crucial support of the Department of Health for this legislation so that it can move forward in the 2005 session of the state legislature.
Written testimony by Ben W Gilbert

Please find attached a policy statement from the American Tinnitus Association, the nation's only organization dedicated to tinnitus research, education, and advocacy. On behalf of the 50 million Americans who experience tinnitus, and the estimated 250,000-plus Washingtonians who have sought assistance from a hearing healthcare professional for the severity of their tinnitus, we submit this policy statement in support of House Bill 2281, submitted April 27, 2003, and now again being considered by the Washington state legislature. If you have any

questions or want to know more about our support for this bill, please contact me at 800-634-8978, extension 211, or at rachel@ata.org.

Rachel D. Wray, Director of Advocacy and Support

The American Tinnitus Association advocates the use of hearing aids by tinnitus patients with hearing loss when directed by a health care professional. Untreated hearing loss can result in depression, impaired memory, social isolation, and reduced overall health. These symptoms, especially when coupled with the effects of tinnitus, can be disabling for many patients. Over 70 percent of American Tinnitus Association members report hearing loss, and many of them find that hearing aids can not only greatly improve their quality of life and speech recognition, but also decrease the sometimes-debilitating effects of chronic tinnitus. Hearing aids, however, like maskers, sound generators, and other tinnitus devices, are cost-prohibitive for many patients. Hearings aids can cost upwards of $2,000, but are usually not covered by medical insurance, and as reported by the National Institute on Deafness and Other Communication Disorders, only one person in five who would benefit from a hearing aid actually wears one. According to a recent market study, 30% of people with hearing loss cite financial constraints as the main reason they do not use hearing aids. Legislation that makes insurance coverage mandatory for hearing aids is a step in the right direction. The American Tinnitus Association supports insurance coverage for comprehensive evaluation and treatment of all tinnitus-related conditions, and we lend our support to legislation that would attempt to close the gap on the discrepancy between the demonstrated need for hearing aids with the lack of insurance coverage for their purchase and use.

I am Richard Jacobs and have been Deaf all of my life. I wore my hearing aids for 34 years until my kids threw my hearings into the toilet before they flushed it. So, I don't have the hearing aids for few years because I didn't have enough money to pay for new ones. I called my Group Health insurance and asked if they will get me new hearing aids. Unfortunately, they will cover only $300. I believe my new hearing aids will cost me over $3,000. That means I will have to pay about more than 80% out of my pocket. Instead of paying more than 80% of my pocket money, I thought about getting myself cochlear implant which the insurance will pay 80% and I only have to pay 20% which is better deal than what I can get for the hearing aids. Unfortunately, the insurance is willing to pay about more than $35,000 or 80% of the total cost for the cochlea implant.

My question is why would the insurance want to pay more than $35,000 for the cochlear implant and they refuse to pay 80% for the cheap cost of hearing aids. I would considered this as discriminating the Deaf people's needs.

I hope you would consider this information to be discussed at the hearing. Unfortunately, I couldn't afford to leave my work to attend the hearing. Thank you for your time reading this and bring up this issue at the hearing for me.
Richard Jacobs
Deaf Edmonds Resident

This is in regards to House Bill 2281 for hearing aid insurance coverage. I am hearing impaired with a hearing loss in the profound range and just purchased two hearing aids at a cost of $5,600, comparable to the cost of a good used car. My insurance covers nothing towards the cost of hearing aids and only $25 towards the cost of an $80 hearing test. I went without hearing aids for several years when I was younger (I needed hearing aids in my 20's) because we could not afford them as the ones that would benefit me cost several thousand dollars.

I am 52 and my old hearing aids were over 10 years old because I was unable to afford new ones, nor did I qualify for any government programs to help with the cost. One hearing aid was no longer working and the second one was going out, forcing me to get new hearing aids. The only way I had the money to pay for them was by borrowing the money from my mother in law. Paying for hearing aids can be a financial hardship for most people. As a result, people who need hearing aids do without or purchase cheap hearing aids that do little to help them hear better, because someone with a moderate to profound hearing loss need the more powerful, expensive models.

A hearing loss affects every part of an individual's life, often resulting in loss of jobs, loss of spouses, loss of friends and loss of a social life. Communication is how we connect and interact with other human beings and when that communication is not possible due to a hearing loss, people become isolated and dysfunctional human beings. Hearing is one of our five major physical senses that helps us to function at full capacity.

People become impaired individuals, unable to function well when they lose their hearing either gradually or suddenly.
A hearing aid is a prosthetic device that can improve the hearing capability of those with hearing loss. It is a prosthetic for the ear, comparable to a prosthetic for a missing limb, which are covered by medical insurance. Hearing aids need to be listed as a prosthetic device and covered by insurance like other prosthetic devices are.
Sherry Cochran

My name is Denise Dailey and am sorry I didn't have the opportunity to make it to the meeting on the 2nd of October as I had to go out of town unexpectedly. I would like to say I am severely hard of hearing and have worn the same old aids for over 13 years (and hearing has deteriorated since purchase) as I cannot afford new aids at this time and make too much for help from the lions or any other place that helps with the purchase of aids. I believe it would be for the best interest if insurance companies were to made responsible to help with the purchase of aids as it is very stressful not being able to hear well and as we all know stress creates so many physical problems which in the long run would be more costly to the insurance companies anyhow. It's sad we who are HOH (or deaf) have to purchase our own aids then buy new batteries monthly also. Hearing aids are not a cosmetic thing (which my insurance co. told me a while back) but something many would benefit by and would create that much less stress in HOH's lives and their families lives.
Denise Dailey

I am writing in support of the HAIL legislation that is currently being studied. As someone who has been hard of hearing for years, I know the importance of being able to have hearing aids has made to my success in business and as a fully functioning individual. The first ones I got were small and not terribly expensive. But as my hearing loss increased, so did my need for better hearing aids. I have been fortunate in being able to find ways to afford my hearing aids. A great boss, in one case, helped me get financing and later a well to do friend helped me out.

Not everyone is that fortunate. 1 in 10 people in the general population have some kind of hearing loss. In my age range (over 65) 1 in 3 don't hear well. That's thousands of people. I have a friend that have had to go without good hearing aids for years and finally had to refinance her home to be able to function at her place of business. More people just give up, because hearing aids are so expensive. Essential, I feel, but unaffordable in many cases. People just stop functioning as a whole persons when they can't hear what is going on.

As an active member of Self Help for Hard of Hearing People (SHHH), I am constantly working to encourage people to take responsibility for their hearing loss and get the best hearing aids they can afford. Then, at least, they can hear a little. At the Senior Centers I visit, I run into many people that have given up ever being able to fully participate again, because they can't hear. When will this wealthy country of ours help those people be able to hear what's going on and function in society again?

Hearing Aid Insurance Legislation (HAIL) is a start. I urge the legislators to look favorably on this bill and act rapidly to help people afford hearing aids.
Judi Carr, WASA SHHH Board Member

I am writing to you in regards to House Bill #2281, Hearing Aid Legislation. I would like to briefly share my families personal experience with hearing aids and why I see great value in this bill passing.

Our youngest daughter contracted pneumoccocal meningitis at the age of 10 weeks. After 2 weeks hospitalization and the review of the testing that was done in the hospital, we were shared the news she was profoundly deaf. Where do we turn? Who do we lean on? Luckily, Spokane has some wonderful key players at Children with Special Health Care Needs and Spokane Regional Health District. We were shared her need for hearing aids along with discovering that our insurance company provided no coverage for these items. Being a stay-at-home mom with 3 little daughters, the cost of the hearing aids was quite a burden on our family. Blessed were we to find out that
there was help available through a fund in the Birth to 3 program which would cover the cost of the hearing aids for Madisen. But this took us 4 months to get the paperwork through and the hearing aids for Madisen. 4 months is too long!

There are many, many families and adults who I know of who do not have the benefit to tap into something like the B-3 program to get the much-needed hearing aids. We need a mandated legislation such as the Hearing

Aid bill to help people get their hearing aids. Having access to hearing increases a person's self-confidence, helps them get a decent job to provide for themselves and their family, gets them more involved in society and could even get them off the streets or Welfare. Not being able to hear can put a person into a deep state of depression - heard it many times from adults who have gone deaf after being a hearing person all their life. I can only imagine how depressed someone might be to not have access to the hearing aids that would allow them to hear.

Please look into your heart and into this bill to help the vast majority of people waiting to hear again.
Kim Schafer

I strongly support the proposed HAIL legislation, and would like to express the reasons why.

My husband is 64 years old, and started losing his hearing about 10 years ago. His hearing loss is now categorized as "profound". Before he received his hearing aids, I watched as he slowly withdrew from the world around him. I would have never realized how difficult it is to connect with one's surroundings, when one has difficulty hearing. This is a world where we all speak fast and don't enunciate clearly. In fact, we often mumble. It just becomes overwhelming to keep asking people to repeat everything that is said. It addition, it is an invisible disability. Hearing-impaired individuals don't look different or disabled. So there's no clue that this person needs special consideration.

Without his hearing aids, I have to be very close to my husband's face, and speak very slowly and loudly for him to hear just a short phrase. Hearing aids have brought him back to life and to the world. It's difficult to express adequately the positive effect this change has had on him and on our family. It has been a financial burden for us to purchase hearing aids, which cost over $2000 for each ear. However, we are fortunate that we could arrange to buy them.

We have health coverage as retired State employees. That coverage provides only a $300. credit toward hearing aids. My husband also has Medicare, which does not pay for hearing aids at all. We know of several people who do not have the resources to overcome this lack of coverage. We watch those people slide downhill toward becoming a burden to society, instead of a contributing member.

By contrast, I have suffered a knee injury which put my knee joint out of line. I was able to obtain a $1000. knee brace with no cost to me. (80% covered by Group Health and $20% covered by Medicare) My knee injury was far less disabling in terms of living my life. However, it was fully covered.

Please understand that hearing loss is a far greater disablility than many disabilities for which the remedy is covered.

Thank you so much for this opportunity to comment. This legislation can make a profound difference in many lives. In addition, it addresses a serious inequity in the health care system.
Camille Pedersen

As prices of health insurance go up, and public attention is paid to what is covered and what is not, many inequities are revealed. Hearing aid coverage is one of them. Insurance has been bargained by groups that are interested in keeping premium costs. Hearing loss is the most common physical disability. No demographic group is spared.

During my working years, I was employed by Washington Education Association as a research analyst.

I have been hearing impaired most of my life. I have had minimal insurance coverage through a group health insurance plan, Premera Blue Cross, which has provided exactly the same dollar amount for hearing loss issues for some 15 years. During that same time period, the general cost of living has tripled and advances in technology have made hearing aid prices increase even more.

My point is that even health care plans that provide some coverage for hearing loss and aids are providing totally inadequate dollar amounts. Hearing aids should not be segregated and sacrificed to the cost cutting of health care premium negotiations. They should rightfully be included with other prostheses.

Please report favorably concerning this legislation.

Lona Jennings

I am writing this letter in support of House Bill 2281. My wife, Karin, and daughter, Ashleigh were able to attend the hearing and testify on October 1st. I wanted you to know that I support my wife's efforts in this important cause. Hearing aids are an absolute necessity to Ashleigh's quality of life. I am able to take her hunting, fishing, golfing and so much more with them. Without, it may not be safe for her to do some of these things. The hearing aids enable Ashleigh to participate in some mainstream classrooms, have conversations with her grandparents, talk to my dad in Ohio on the telephone. I cannot imagine what her life would be like without the hearing aids.

Please support this necessary cause.
Robert Cook

As the Program Manager for the Deaf and Hard of Hearing Program in the Edmonds School District I would like for you to know the importance of your support of House Bill 2281 that covers hearing aids as all other prosthetics.

We currently serve 78 deaf and hard of hearing students in our deaf education program and this doesn't include the large number of hard of hearing students being served in their home school with support of amplification. On a weekly basis I hear from families that are struggling to find financial support to provide their child with hearing aids, replace out dated or damaged hearing aids. We do have a list of resources to provide to the families, but it is not a guarantee that they will be supported. This is a financial constraint that families should not have to deal with on an on-going basis. Success in school and in life requires that deaf/hard of hearing individuals have access or an in-depth understanding of spoken language even if it is in combination with sign language and hearing aid amplification helps provide this access.

In the Edmonds School District we want to provide support to our families in the choices they make for their child. I encourage you to support the House Bill 2281.
Alicia Carter, Edmonds School District

On behalf of AWHP's member healthcare Plans, thank you for providing us with an opportunity to comment on the Mandated Benefits Sunrise Hearing re: Hearing Aids. We offer the following comments and concerns for your consideration.

1. In this era of escalating health care costs, affordability issues, and rising uninsured population, adding yet another coverage requirement to Washington's existing list of 47 mandates would further aggravate this already troubling situation.

2. The magnitude of the cost increase associated with the proposed mandate cannot be accurately determined without knowing additional information such as; does it include coverage for hearing screening in addition to hearing aids? What types of aids would be covered? Digital? Bi-lateral? Both?

3. There is no need for a mandate to make available hearing aid coverage for those who wish to purchase it. Contrary to the summary report attached to your email note, hearing aid coverage is widely offered by healthcare insurers in our state.

Again, thank you for the opportunity to provide comments.
Sydney Smith Zvara, Executive Director
Association of Washington Healthcare Plans

On behalf of the 15,000 small business owners who are members of the National Federation of Independent Business, we urge the sunrise review to NOT RECOMMEND that the Legislature adopt the provision of hearing aids as a mandated insurance benefit in Washington state. We offer the following comments.

First, new health insurance benefit mandates of any kind are opposed by the members of NFIB. Small employers are finding it increasingly difficult to afford health insurance in today's market. Even minimal increases in cost (less than 1%) are forcing many small business owners to drop existing coverage for

themselves and their employees. As small businesses are forced to drop coverage, the number of uninsured in the state increases leaving thousands of families without health insurance for even the most basic services.

According to the Maine Bureau of Insurance, which also reviewed requiring hearings aids as a mandated benefit, only .69% of the population would likely use the insurance benefit. Yet, if enacted in Washington state, 100% of the insured population would have to pay for the benefit. While this would make the cost benefit analysis work in favor of those who would use the benefit, the net impact for the majority who would not use the benefit is that their health insurance premium cost would increase without any benefit whatsoever.

One of the reasons cited for mandating the benefit is to reduce the impact on existing public programs. However, since insurance is not mandatory and since only a portion of the population pays for an insurance benefit, it would only mean shifting these costs on to a smaller group of payors. If small businesses who cannot afford insurance after implementation of the mandate are forced to drop coverage, then many more uninsured would put additional pressure on public programs – not only for hearing aids, but for basic medical costs as well.

Once again, we urge you to recommend the Legislature not adopt hearing aids as a mandated benefit. Instead, we urge the Department of Health and the Legislature to engage in a review of all existing mandated benefits to determine the actual cost of these mandates on health insurance premiums and to determine their medical necessity.

We appreciate the opportunity to comment.
Carolyn Logue, Washington State Director
National Federation of Independent Business

On behalf of the small businesses participating in Independent Business Association, we offer the following comments on the sunrise review regarding the proposal to mandate coverage for hearing aids in health insurance policies sold in Washington State.

Position of Small Business Owners On New Mandates

Small employers oppose any new health insurance benefit mandates in Washington State. Small business owners are having to drop their insurance coverage due to high costs they cannot afford. Adding higher costs due to new mandates will only result in more people becoming uninsured in Washington State. A study done in Minnesota found the price elasticity for small firms to be –3.9% for single coverage and –5.8% for family coverage. Clearly this demonstrates a significant increase in the uninsured in the small business community as premiums increase.
http://www.findarticles.com/p/articles/mi_m4149/is_1_36/ai_74524597/pg_6

Cost Impact Of The Proposed Hearing Aid Mandate

The projected cost impact on insurance premiums from a hearing aid mandate like that proposed is a maximum increase of 1.3% of premium as reported by the Maine Bureau of Insurance. Small businesses are expected to see up to a 1.1% premium cost increase due to such a mandate.
http://www.state.me.us/pfr/120_Legis/reports/ins_LD1087final.htm

Medical Necessity Of The Proposed Hearing Aid Mandate

A big question is, is a hearing aid an essential medical requirement to sustain or maintain life? The answer is no. As the proponents of the hearing aid mandate point out that people who need a hearing aid but do not have one have a reduced quality of life, but that the impact is primarily a social impact, not a medical impact.

Need For The Hearing Aid Mandate

The Maine Bureau of Insurance found that only 0.69% of the population would likely make use of an insurance benefit to provide hearing aids. Yet 100% of the insured population in Washington State would have to pay for it.

Mandates in Other States

While some states have adopted mandates, most such mandates only apply to children, not all ages of insureds.

Legislative History

In the past few years, the Legislature has been asked to impose new benefit mandates for a variety of health conditions that are not medically necessary to sustain or maintain life. An example was the proposed legislation to mandate cranial hair prostheses for alopecia areata. The basis for this proposed mandate was primarily the social needs of the individual affected by the condition. The Legislature chose not to adopt this as a mandate.

Alternatives To A Mandate

There currently exists many alternatives to accessing hearing aids other than a mandated health insurance benefit:

- Hearing aids are already included as part of Medicaid benefits for the low-income in Washington State.

- As the proponents point out, there are already programs operating in Washington State to provide hearing aids to lower-income individuals who are above Medicaid eligibility. While they may not be the optimum hearing aid, they do meet much of the need.

- Insurance companies now operating in Washington State already provide their insureds with access to discounted hearing aid purchasing. (i.e. Regence Blue Shield)

- Hearing aids can be purchased on credit and paid off over time which increases access and reduces the monthly cost of acquiring a hearing aid.

- Generally, a hearing aids are a small fraction of the cost to purchase a car, meaning they are generally affordable.

Conclusions

Mandating hearing aid benefits is not medically necessary and imposing this mandate to require insurers to include the provision of hearing aids as a policy benefit poses far more risk than benefit. Clearly, it is likely to further increase the number of uninsured in Washington State.. Over eighty percent of small employers in Washington State oppose additional health insurance benefit mandates and over fifty percent are already finding health insurance unaffordable.

The sunrise review should find against recommending the Legislature adopt a mandate for including the provisioning of hearing aids as an insurance benefit in Washington State.
Gary Smith, Executive Director
Independent Business Association

America's Health
Insurance Plans

601 Pennsylvania Avenue, NW
South Building
Suite Five Hundred
Washington, DC 20004

202.778.3200
www.ahip.net

November 8, 2004

Ms. Pamela Lovinger
Policy Director
Department of Health
Health Systems Quality Assurance Division
310 Israel Road
Tumwater, WA 98504-7850
Mail Stop 47850

Dear Ms. Lovinger:

America's Health Insurance Plans (AHIP) is a national trade association representing nearly 1,300 member companies providing health insurance coverage to more than 200 million Americans.

We appreciate the opportunity to provide comments on H.B. 2281. While AHIP understands the impetus for imposing benefit mandates, we oppose such legislation because it has the potential to increase health care costs, which could have unintended consequences for consumers. Additionally, benefit mandates have not been provide to improve quality of care. We have highlighted some of our specific concerns below.

- **Mandates can increase costs and unintentionally limit access**. At a time when the cost of health care is increasing dramatically, it seems unwise to add more benefits that will in turn increase costs and reduce the number of individuals able to afford the coverage. Every mandate adds its own cost and collectively has a significant impact on increasing health care costs. A recent Pricewaterhouse Coopers study found that 15 percent of the overall increase in health care premiums can be attributed to the imposition of mandates.[1] In addition, mandates drive up health care costs for consumers and employers by taking money and other resources out of the system which could be better used to provide uninsured Americans with access to health care coverage. In fact, the costs associated with the imposition of mandates can lead to increases in the uninsured – according to the Lewin Group[2] every one-percent increase in health care costs equals another 300,000 uninsured.

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[1] Pricewaterhouse Coopers, "Factors Fueling Rising Healthcare Costs", April 2002
[2] The Lewin Group , 1999 letter to AAHP

Furthermore, the Pennsylvania Cost Containment Council looked at a similar hearing aid mandate proposal last year and did not recommend adoption of the mandate. Specifically, they said "[t]he cost of providing hearing aids would be substantial… Mandating hearing aid coverage to insurers that participate in the Medicare program would lead to increased costs… Forcing yet another benefit mandate on [insurers] will increase the premiums…beneficiaries pay. Many will be unable and/or unwilling to accept this cost in benefit coverage…"

- **Mandates limit consumer choice.** As health care costs continue to rise, it is important that health insurance plans have the flexibility to design benefits and services specific to their insured customer's needs. Mandates can limit the broad array of innovative and efficient products health insurance plans have available to employers and individuals by requiring consumers, or their employers, to spend available funds on benefits that they would otherwise not purchase. Mandates can make it harder for consumers to obtain the benefits they do want.

- **Mandates, should they be enacted, must promote evidence-based medicine.** Mandates can have a negative impact on quality, since they require adherence to procedures and practices that may not be optimally appropriate or effective and may even be experimental/investigational. For example, how "hearing aid" is defined, standards with respect to what constitutes a "provider recommendation" (e.g., via a prescription), and the allowance of medical necessity criteria are all key components to weeding out suspect or experimental/investigational devices and ensuring that evidence-based standards are promoted. Studies have shown that improving health care quality and patient safety through the use of evidence-based medicine would result in health care cost savings.

Thank you for this opportunity to comment on House bill 2281. If you have any questions, please contact Melvin Sorensen at Carney Badley Spellman (206) 622-8020 or me at 202-778-3243.

Sincerely,

Robert Menkes
Regional Director
AHIP

cc: Mel Sorensen

The Lewin Group
9302 Lee Highway, Suite 500
Fairfax, VA 22031-1214
703 218 5500/Fax 703 218 5501

February 4, 1999

Richard Smith
Vice President,
Public Policy and Research
American Association of Health Plans
1129 - 20th Street, NW, Suite 600
Washington, DC 20036-3421

Dear Rick:

As you know, we have updated our estimates of the number of persons losing coverage as the result of premium increases. As of November of 1997, when we last discussed this issue with you, we were assuming that a one-percent real increase (i.e., price increase in excess of inflation) in premiums would result in a coverage loss of about 427,000 persons. This estimate was based upon the available literature on the impact of premium increases on employer coverage.[1] Since that time, we conducted some original research that was designed to correct for certain methodological problems with the prior research. Based upon this analysis, we have revised our estimate. We now estimate that a one-percent real increase in premiums would be associated with a coverage loss of about 300,000 persons.

Our prior estimate is based upon a review of existing research. Several studies had shown that increases in the price of insurance are associated with a reduction in the proportion of employers sponsoring health insurance.[2,3] These

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[1] This estimate represents the midpoint of a range of estimates in the literature.

[2] C.E. Phelps, *The Demand for Insurance. A Theoretical and Empirical Investigation*, Report R-1054-OEO (Santa Monica, CA: The RAND Corporation, 1973); G.S. Goldstein and M.V. Pauly, "Group Health Insurance as a Local Public Good," *The Role of Health Insurance in the Health Services Sector*, ed. R. Rosett (Cambridge, MA: National Bureau of Economic Research, 1976), 73-109; G. A. Jensen, *Employer Choice of Health Insurance Benefits* (Doctoral dissertation, University of Minnesota, Minneapolis, Minnesota, 1986).

[3] A. Leibowitz and M. Chernew, "The Firm's Demand for Health Insurance," *Health Benefits and the Workplace* (Washington: U.S. Department of Labor, 1992), 77-84; G.A. Jensen and J.R. Gabel, "State Mandated Benefits and a Firm's Decision to Offer Insurance," *Journal of Regulatory Economics*, 4 (1992), 379-404; and M.A. Morrisey and G.A. Jensen, "State Small Group Insurance Reform," (Paper presented at the University of Illinois conference, "Health Care Reform and the Role of the States," Chicago, IL, 29 April 1994).

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studies indicate that the price elasticity of employer coverage is somewhere between -0.2 and -0.6.[4, 5] That is, the studies indicate that a one-percent increase in premiums (i.e., price) is associated with a reduction in the number of covered workers of between 0.2 and 0.6 percent.

For our purposes, we selected the approximate mid-point of these elasticity estimates, which was -0.40. We then adjusted this estimate to reflect the fact that some of those individuals who lose private coverage would obtain coverage from some other source such as a spouse's employer plan. Under these assumptions we estimated that a one-percent real increase in premiums resulted in a net loss of coverage of about 427,000 persons.

A major problem with the existing research at that time is that it is typically based upon studies of the employer decision to offer coverage and do not reflect the impact of changes in employee premium contributions on the worker's decision to accept the coverage. These studies are also based upon the employer responses to changes in prices for specific insurance products and do not reflect the fact that many employers and employees will respond to premium increases by moving to lower cost health plans rather than terminating coverage. Consequently, these studies probably overstate the extent to which price increases affect the overall level of health insurance coverage.

To correct for this, we developed our own multivariate estimates of the impact of the real growth in employee contributions for health benefits on the worker's decision to purchase coverage. The data used in the analysis were the Current Population Survey (CPS) data for 1988 through 1996, which provide information on employer health insurance coverage for workers and their dependent spouses and children. We used multivariate regression analysis methods to estimate the relationship between coverage levels and real increases

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[4] J. Gruber and J. Poterba, "Tax Subsidies to Employer-provide Health Insurance," working paper no. 5147, National Bureau of Economic Research, June 1995; K.E. Thorpe, et al., "Reducing the Number of Uninsured by Subsidizing Employment-based Health Insurance: Results from a Pilot Study," *Journal of the American Medical Association* (19 February 1992), 945-948; N.L. Barrand and W.D. Helms, "Testimony before the Subcommittee on Health, Committee on Ways and Means, United States House of Representatives," (Princeton, NJ): The Robert Wood Johnson Foundation, 1991).

[5] Helms, et al., "Mending the Flaws in the Small-group Market," and McLaughlin and Zellers, "The Shortcomings of Voluntarism in the Small Group Market."

in employee contribution requirements as reported in the KPMG data over the 1988 through 1996 period. To account for confounding factors affecting coverage levels, we also included variables for workers such as age, sex, race/ethnicity, Medicaid eligibility status, part-time worker status, and changes in the composition of the labor force by industry, firm size and occupation. Separate equations were estimated for workers and dependent spouses and children.

Based upon this analysis, we estimate that the price elasticity for health coverage is -0.203. This means that a one-percent real increase in premiums is typically associated with a net coverage loss of approximately 293,000 persons. Because this analysis explicitly models the changes in dependent coverage, it automatically accounts for the possibility that some of those workers who lose their employer coverage will become covered under a spouse's plan. This revised estimate of 293,000 persons compares with our prior estimate of 427,000 persons.

This estimate is an improvement over what is available from existing research because, unlike prior studies, our estimate reflects the fact that individuals may shift to lower cost plans in response to an increase in premiums, thus dampening the loss of coverage resulting from the premium increase. This effect is reflected in our analysis because the CPS data show the actual level of coverage net of any shift to lower cost plans that individuals may have made to preserve their coverage. Thus, this substitution effect is automatically reflected in our study in the form of a reduced estimate of the aggregate net coverage loss associated with a given weighted average premium increase. This is the primary reason why our estimate of the price elasticity for insurance is smaller than our prior assumption.

Please call me at (703) 218-5610 if you have any questions.

Sincerely,

John F. Sheils
Vice President

October 26, 2004

Sherry Thomas
Health Systems Quality Assurance
Office of the Assistant Secretary
310 Israel Road
Tumwater, Washington 98504-7850

Dear Ms Thomas:

I am responding to your request for comments regarding the application to add hearing aids as a mandated health benefit.

In reviewing the applicant report, draft bill and fiscal note we have concerns with adding coverage of hearing aids as a state mandated benefit. We would like to submit the following comments for your consideration.

- While coverage for hearing aids is a standard benefit exclusion in our contracts, we do provide coverage for our members through a number of value added (optional) programs. Regence BlueShield has two programs, one through the Newport Audiology Centers, the other through Belltone. Coverage includes but is not limited to a hearing evaluation, discounts on equipment and unlimited visits for adjustments and service. We believe this is the best way we can offer coverage for those in need without a great effect on our premiums.

- A mandate to include coverage of hearing aids would have a drastic effect on premium. Our rough estimate ranges anywhere from $1.40 to $2.80 per member per month, making it a relatively costly mandate. The cost would vary based upon who is covered, what type of hearing loss is covered, what equipment is covered and if there is ongoing evaluation and service of equipment.

- In a time when the cost of health care is increasing rapidly this would have a negative effect on making health care more accessible and affordable for our members. We believe that allowing carriers to establish programs to provide optional coverage is the best way to serve our members and manage the cost of coverage for those who may not be benefiting from such a mandate.

Thank you for the opportunity to review and provide feedback to your proposal.

Sincerely,

Jodi Suminski

Jodi Suminski
Public Policy Analyst

APPENDIX: F

Rebuttal Comments

2004 Hearing Aid Mandated Benefits Sunrise Review
Rebuttals to Draft Report

Penny Allen
WASA-SHHH

Carolyn Logue, representing "15,000 small business owners" made the following comment.
According to the Maine Bureau of Insurance, which also reviewed requiring hearings aids as a mandated benefit, only .69% of the population would likely use the insurance benefit. Yet, if enacted in Washington state, 100% of the insured population would have to pay for the benefit. While this would make the cost benefit analysis work in favor of those who would use the benefit, the net impact for the majority who would not use the benefit is that their health insurance premium cost would increase without any benefit whatsoever.

Rebuttal The figure for people with hearing loss is at least 10% of the population and rising. Thus the population using the benefit would likely be greater than the .69% quoted by Ms. Logue. She is correct that 100% of the insured population would have to pay for a hearing aid benefit. So what's wrong with that? My husband and I have two insurance policies, neither of which covers hearing aids. Yet we are paying for everyone else's benefits, including (to list a few) treatment for lung cancer (we don't smoke); heart disease (we don't have heart problems); birth control (we're past that time in our lives, and it wasn't available when we needed it); erectile dysfunction (this is more important than hearing aids?); and wheelchairs (my hearing aid is my wheelchair). Her statement defies logic.

Sydney Smith Zvara, Association of Washington Healthcare Plans, made the following comments:
The magnitude of the cost increase associated with the proposed mandate cannot be accurately determined without knowing additional information such as; does it include coverage for hearing screening in addition to hearing aids? What types of aids would be covered? Digital? Bi-lateral? Both?

Rebuttal Digital hearing aids and bi-lateral hearing aids are apples and oranges. She means to say "digital or analog" and "bilateral or one hearing aid." All hearing aids are going to be digital within the near future—analog hearing aids are being phased out. If someone has a bilateral hearing loss, that person obviously needs two hearing aids. Our bill stated specifically what we wanted covered.

There is no need for a mandate to make available hearing aid coverage for those who wish to purchase it. Contrary to the summary report attached to your email note, hearing aid coverage is widely offered by healthcare insurers in our state.

Rebuttal Where has *she* been? Anyone who has tried to get coverage has discovered there is little if anything available. What is available is simply a small discount on a couple of brands of hearing aids that don't benefit the majority of the people with hearing loss.

Robert Menkes, AHIP stated:
Mandates limit customer choice. Mandates can limit the broad array of innovative and efficient products health insurance plans have available…

Rebuttal There *is* no "broad array of innovative and efficient products" available or we wouldn't be asking for a mandate. An insurance mandate does not need to limit customer choice. What is limiting is these "value-added" plans that some insurers provide, which are negotiated with one or two companies that do not provide the types of hearing aids needed for consumers with more than a mild to moderate hearing loss.

Jodi Suminski, Regence Blue Shield made the following comment:
…We do provide coverge for our members through a number of value-added(optional)programs…Regence BlueShield has two programs...Coverage includes but is not limited to a hearing evaluation, discounts on equipment, and unlimited visits for adjustments and services.

Rebuttal This is the same response to the comment above. What good is a discount on hearing aids that do not provide maximum benefit to the consumer in the first place? Additionally, most audiologists/dispensers already provide these services free of charge.

We believe that allowing carriers to establish programs to provide optional coverage is the best way to serve our members…

Rebuttal If carriers offered optional coverage, we wouldn't be asking for a mandate. They haven't done it.

Juan Alaniz made the following comment:

While I do not personally endorse or not endorse the initiative, I do think there could be an opportunity to work with the carriers outside of the regulatory environment to address the issue should this not get the required support.

Rebuttal The reason we want a mandate is that insurance carriers have not provided any hearing aid insurance benefits policies on their own, even after people have requested it. If there is any coverage, it's minimal. A mandate would get them to take responsibility.

Gary Smith, IBA, made the following comments:

Medical necessity…A big question is, is a hearing aid an essential medical requirement to sustain or maintain life? The answer is no. As the proponents of the hearing aid mandate point out that people who need a hearing aid but do not have one have a reduced quality of life, but that impact is primarily a social impact, not a medical impact.

Rebuttal I beg to differ. It is a well-know fact that people who go without hearing aids are doomed to isolation. Isolation leads to mental, emotional, and physical problems. Anyone who works with hearing impaired people knows this. I have known people so depressed they are suicidal. Studies (as we cited in our report) back this up.

Need for the hearing aid mandate… the Maine Bureau of Insurance found that only .69% of the population would likely make use of an insurance benefit to provide hearing aids. Yet 100% of the insured population in Washington State would have to pay for it.

Rebuttal This is the same argument Ms. Logue made and makes me wonder why they are using a study done in Maine. See my comment above. This is a ridiculous justification for not providing coverage for hearing aids.

Mandates in other states…While some states have adopted mandates, most such mandates only apply to children, not all ages of insureds.

Rebuttal Hearing loss is across the board and affects all ages. Why single out children? Hearing impaired adults cannot get jobs without hearing aids—and this costs society far more when it has to carry these people on the welfare system. There is ongoing legislation across the country to cover all ages, not only children.

Legislative history…An example was the proposed legislation to mandate cranial hair prostheses…basis of this mandate was primarily the social needs of the individual affected by the condition

Rebuttal Mr. Smith is comparing hearing aids to hair implants—as if they're the same!

Alternatives to a mandate…hearing aids are already included as part of the Medicaid benefits for the low-income in Washington State.

Yes, and the amount is so miserly the audiologists won't take on indigent people because they can't get reimbursed enough to cover their expenses. That aside, our bill has nothing to do with Medicaid or low-income people. It's for people who want to buy insurance.

Alternatives to a mandate: Already programs operating…while they may not be the optimum hearing aid, they do meet much of the need.

Rebuttal This is incorrect. These programs are for low-income people. They are few, and they are backlogged with people standing in line trying to get help. Many of these people don't receive help at all, depending on what part of the state they live in. There's little to no insurance available for someone who isn't indigent, and that is the issue at hand.

Insurance companies now operating in Washington State already provide their insureds with access to discounted hearing aid purchasing. (i.e. Regence Blue Shield)

Rebuttal "Discounted" is not a benefit. What they provide is a discount off companies that sell low-end products, which in the long run do more harm and further "in-the-drawer hearing aids."

Hearing aids can be purchased on credit and paid off over time which increases access and reduces the monthly cost of acquiring a hearing aid.

Rebuttal It is absolutely ludicrous that Mr. Smith would suggest doing such a thing! We're not talking about a few hundred dollars, but rather thousands! And he thinks people should run up their credit card debt by charging hearing aids? Who could ever afford to pay off their credit cards?

Generally, hearing aids are a small fraction of the cost to purchase a car, meaning they are generally affordable.
Rebuttal This statement is even more insane than the one above. I can buy a good car for the same price of a pair of hearing aids. Hearing aids are going from $4000-$10,000. Mr. Smith thinks that's "generally affordable"? Not for the majority of people it isn't. Hearing aids are usually not budgetable either—you can't predict when you need a pair.

Conclusions—hearing aid benefits is not medically necessary
Rebuttal We provided testimony that hearing aids are indeed a medical necessity-and there are many studies that back this up.

John Allen, Secretary
Washington State Association of Self Help for Hard of Hearing People, Inc.

I have reviewed the DRAFT Information Summary and Recommendations "Hearing Aids Mandated Benefits Sunrise Review" to be issued by the Washington State Department of Health in January 2005. I congratulate the Department of Health staff responsible for this comprehensive and professional report. I submit the following comments concerning written comments contained in Appendix E of the DRAFT report.

1. The Association of Washington Healthcare Plans stated that "contrary to the summary report attached to your email note, hearing aid insurance is widely offered by healthcare insurers in our state." The Independent Business Association stated that "Insurance companies now operating in Washington State already provide their insureds with access to discounted hearing aid purchasing". Literally, these statements are accurate. Almost exclusively, however, this available hearing aid insurance is value-added and/or provider-specific and consists solely of a percentage discount on basic hearing aids. For example, GEHA (a federal government employee group program) members are entitled, at no additional premium cost, to 20% discount at Miracle-Ear locations (curiously, these members' parents and grandparents are also entitled to this benefit). For another example, for an additional premium the GE Wellness Plan offers a 15% discount on hearing aids and free evaluations at Beltone Hearing Aid Centers. These two hearing aid brands provide limited amplification adjustments across the human frequency spectrum, and are marketed with a focus on cosmetically hiding the hearing aid. This type of hearing aid "insurance" is basically bargain shopping at discount prices, and is not providing adequate or optimum hearing health care. I did review one health insurance plan provided by Regency Blue Cross/Blue Shield that included coverage for "an initial exam and tests, hearing aides (including replacement due to wear, tear, breakage, or change in condition) and batteries". This coverage is limited to hearing loss resulting from bodily injury, severe illness, or a congenital hearing loss and includes a lifetime limit of $5000 reimbursement. The great majority of hearing loss causes are not covered by this plan and the lifetime reimbursement limit is sorely inadequate for those conditions that are covered.

2. The Association of Washington Healthcare Plans, the National Federation of Independent Business, and the Independent Business Association point out that mandating hearing aid insurance coverage will increase the cost of health insurance and justify their opposition to proposed HB 2281 by focusing on the burden this will place on employers and the probable decline in the number of persons/businesses that will be able to afford insurance. It is interesting to note that these organizations are implying that mandated hearing aid insurance will be guilty of causing business and health coverage problems. In fact, insurance coverage for hearing aids has had nothing to do with the escalating costs and financial burdens to date. Health insurance costs have risen independent of hearing aid insurance discussions and forecasts, meaning that the blame directed by the above three organizations is somewhat misdirected. I agree that health care costs will be affected by mandated hearing aid insurance, but I do not agree that hearing aid insurance should be held hostage by unrelated business and economic forces

3. It is disconcerting to learn that the National Federation of Independent Business and the Independent Business Association consider it unacceptable for 100% of the insured population to pay for a benefit that would apply to "only .69%" of the insured population. The fundamental principle of health insurance (especially group insurance) is to pay a premium for the probability of not experiencing a specific health care procedure. Where are these Independent Business persons' minds? Their logic seems to indicate that if 100%

of an insured population is paying for a specific benefit (like an appendectomy reimbursement) among a host of potential benefits then 100% of the population is expected to get the specific benefit (like an appendectomy reimbursement). I can guarantee that 100% of the insured population in this state is not expecting to have or to be reimbursed for an appendectomy. If "only .69%" of the insured population is expected to use the hearing aid insurance benefit, then the Independent Business persons should be celebrating the minimal increase in insurance premium cost.

4. The Independent Business Association seems to have lost sight of humanness and existing medical standards with its statements about health care being necessary only "to sustain or maintain life". If these are the two criteria for inclusion in health insurance policies, then we need to revisit the coverage of treatments from digestive disorders to amputations to severe pain to non-life-threatening burns to broken bones. The author(s) of these statements are obviously not familiar with the survival struggle of persons with hearing loss.

Thank you for accepting these comments and for entering them into the record.

Karin and Rob Cook

My daughter, Ashleigh, and I had the opportunity to testify on October 1st in support of House Bill 2281 requiring that hearing aids be covered as all other prosthetics. Since then I have had the chance to read your report, and the comments from the opposition. I specifically feel the need to respond to Gary Smith's, Independent Business Association, Executive Director, comments opposing House Bill 2281. Mr. Smith stated that in Washington State insurance companies offer "discount" programs to their insured's. Some of the insurance companies do offer discounts, but when you're talking about thousands of dollars, a 10% or 20% discount does not add up to much. He also stated that hearing aids can be purchased on credit and paid off over time. I wonder if Mr. Smith has had the need to purchase hearing aids. Ashleigh's hearing aids had to be paid in full within 90 days. That's not much time, when you're paying off approximately $5,000! That averages out to over $1,600 per month for the payment! I also found Mr. Smith's comment stating that hearing aids are not medically necessary to be very insulting and insensitive. How dare he say they are not medically necessary! Hearing aids are a FUNDAMENTAL necessity to Ashleigh's life. Without them she cannot communicate with the hearing world, she would be in danger of getting hit by a car riding her bicycle or walking to the park, and God forbid if she were to meet a stranger. I dread what the potential outcome could be. I am absolutely sure that if Mr. Smith were to lose a limb he would expect his insurance company to cover a prosthetic. We, as parents, are only asking for the same consideration.

We sincerely request your support of House Bill 2281.

Sherry Cochran

"I am just as deaf as I am blind. The problems of deafness are deeper and more complex than those of blindness. Deafness is a much worse misfortune, for it means the loss of the most vital stimulus—the sound of the voice that brings language, sets thoughts astir, and keeps us in the intellectual company of men and women."
Helen Keller

I am a registered voter in legislative district 37. This is in regards to HB 2281 and 2890 that are about increasing insurance coverage for hearing aids and cochlear implants. This is a very important issue for everyone because hearing loss not only affects the individual with hearing loss, but also involves family, friends, workplaces and society in general.

Hearing aids and cochlear implants need to be classified as prosthetic devices because they are devices that aid or replace a damaged body part that perceives sound. Hearing is one of the major senses that enable human beings to function in their highest capacity: Sound, sight, touch, taste & smell. An ear is considered an organ. Although the outer ear is not normally amputated like a diseased or damaged limb, it is nonetheless a disabled appendage when the important inner ear is not functioning normally.

Whether a person is hard of hearing or deaf, the person's ability to communicate and function in a predominately hearing world is impaired. A hearing aid or cochlear implant becomes a prosthesis for the ear: Man made, artificial devices that replace or aid the damaged inner parts of the ear, increases an individual's ability to function, the same way that an artificial limb does.

I have a hereditary progressive hearing loss, a condition I passed on to my son. I am 52 and have always struggled to afford two hearing aids since my early 20's, like my adult son who is now struggling to fund hearing aids due to genetic hearing loss he inherited from me.

I have spent $18,000 of my own money over the years on hearing aids; medical insurance has never covered any of the cost. Hearing aids have become increasingly expensive for everyone with hearing loss. A cheaper hearing aid/device may help someone with a mild loss but those with moderate to profound hearing loss can only attain improved hearing with the more expensive, higher quality hearing aids/devices.
I am a published writer, currently writing a book about hearing loss. One of the major misperceptions about adult hearing loss is that it only affects the elderly. Hearing loss can happen at any age, from age 18 and upwards, from a variety of causes such as illness, disease, injuries, hereditary, aging, etc. that damages the delicate inner parts of the ear. Whatever the cause of hearing loss at whatever age, it greatly impedes a person's ability to function in a world that primarily communicates through the spoken language; hearing loss severely affects a person's ability to function in all areas of life.

No one should be denied access to devices that can improve their ability to communicate and function. But without insurance coverage, many people are unable to afford hearing aids/cochlear implants that would help them regain or enhance their ability to hear. Thank you for your consideration of HB 2281 and 2890.

Debra Doyle
Department of Health
Maternal and Child Health

If legislation is adopted to mandate coverage for hearing aids, it should include:

- *a limitation on the frequency of replacing hearing aids (every four years for adults, two years for children)*

Rebuttal This may be problematic particularly for infants who frequently outgrow their hearing aids fairly quickly. Perhaps it could be something like "… two years for children age two to eighteen, nor more than three times a year for infants and toddlers up to age two." I'm guessing at these intervals and would certainly encourage speaking with an audiologist such as Susan Norton or Tom Littman first.

Hearing aids were not defined in HB 2281. Hearing instruments have been defined in RCW 18.35.010 as any wearable prosthetic instrument or device designed for or represented as aiding, improving, compensating for, or correcting defective human hearing and any parts, attachments, or accessories of such an instrument or device, excluding batteries and cords, ear molds, and assistive listening devices.

Rebuttal/Clarification Does this definition include cochlear implants? It would seem to.

Occasionally, the Department of Social and Health Services, Division of Vocational Rehabilitation, will purchase hearing aids so that a person who is hard of hearing may obtain employment.

Rebuttal/Clarification As you mentioned previously, MAA does pay for hearing aids. In addition, the Children with Special Health Care Needs program will pay for hearing aids for children who are hard of hearing and born to undocumented residents. In addition, CSHCN will pay for the hearing aid batteries for children using hearing aids covered by MAA.

Department of Social and Health Services
Medical Assistance Administration (MAA)

We currently cover hearing aids for the majority of our eligible population, however Medically Needy clients are not covered. MN is a very small segment of our client base, and we don't anticipate a material fiscal impact. Our Division of Medical Management staff will apply the same WAC, policy and processes to the MN population so there may also be a small workload impact related to the processing and review of requests that require authorization.

Compared to BHP and major carriers, the impact to MAA is very small.

Department of Social and Health Services
Office of the Deaf and Hard of Hearing (ODHH)

Fact: ODHH receives between 1 and 4 calls weekly by persons wanting financial help purchasing hearing aids.

Fact: ODHH receives 1-3 calls each month from adults whose senior citizen parents are experiencing withdrawal and isolation related to hearing loss. Often the son/daughter is under unusual stress because it is hard to communicate with the parent in person or on the telephone.

Fact: ODHH can refer to Northwest Lions Foundation for Vision and Hearing. They have an "all purpose" aid that costs much less than the top-of-the-line aids, but it does not fit every person's needs. The person needing help is then referred to a local Lions organization. Local Lions organizations do not always have money in their budgets to help someone buy aids because their insurance benefits are low, or there is no insurance for hearing aid purchase. The Lions Foundation also depends on audiologists to help fit the aid to the client. Some audiologists may be resistant to providing these services at low or no cost.

Fact: ODHH is trying to spread the word about assistive listening devices. One of the best features of hearing aids is that they can be equipped with a telecoil. By switching on the telecoil in the hearing aid, a person can "tune in" to an assistive listening system on a telephone, in a church or meeting room, or even during a one-to-one meeting, and receive a better amplification directly to his/her hearing aid. There is a slight cost increase when the telecoil is included. Hearing aid customers attempt to save money by eliminating the telecoil, which hurts them in the long run.
