MARYLAND Health Care Commission

Randolph S. Sergent, Esq, Chairman
Ben Steffen, Executive Director

March 7, 2024

The Honorable Joseline A. Pena-Melnyk
Chair, Health and Government Operations
Room 241
House Office Building
Annapolis, Maryland 21401

Re: HB 1339 - Health Insurance – Hearing Aids for Adults – Coverage – Letter of Information

Dear Chair Pena-Melnyk and Members of the Committee,

The Maryland Health Care Commission (MHCC) is submitting this letter of information on *HB1339 - Health Insurance – Hearing Aids for Adults – Coverage.* This bill would require insurers, nonprofit health service plans, and health maintenance organizations that provide health insurance benefits under certain insurance policies or contracts to provide coverage for hearing aids for adults. The bill authorizes a limit on the benefit payable of $1,400 per hearing aid for each hearing-impaired ear every 36 months. It also authorizes an insured or enrollee to choose a hearing aid that is priced higher than the $1,400 payable benefit and pay the difference between the price of the hearing aid and the payable benefit without financial or contractual penalty to the provider of the hearing aid.

Over the interim the MHCC was asked to conduct a mandated health insurance services evaluation on the coverage of hearing aids for adults that was introduced by *HB1145/SB397, 2023 - Hearing Aids for Adults - Coverage* during the 2023 legislative session. We contracted with Lewis and Ellis (L&E), LLC., an actuarial consulting firm, to evaluate the social, medical, and financial impact of the proposed mandated insurance coverage for adult hearing aids. L&E completed the study which MHCC submitted to the General Assembly in January 2024.

The key findings of the report and summary statistics are the following:

- According to a report by the National Center for Health Statistics, among adults using hearing aids, 85.4% experienced no difficulty in hearing, 13% faced some challenges, while the remaining 1.6% had significant difficulties or were completely unable to hear even with the use of a hearing aid.

- Based on interviews with audiologists, it's reported that hearing aids are included in the treatment plans for approximately 85% or more of patients with sensorineural hearing loss. According to data from Johns Hopkins and the CDC, around 15% of

adults aged 18 and over experience hearing loss that ranges from mild to severe. Of these adults, only about

- 20% use hearing aids. The utilization of hearing aids increases with age, therefore, when only considering adults aged 18 to 64, only about 10% with hearing loss utilize hearing aids.

- Insurance coverage for hearing aids is inconsistent, with most plans not providing hearing aid benefits. Based on information from healthcare providers and Maryland-specific data, it's estimated that only about 20-40% of insurance plans currently cover hearing aids for adults.

- According to audiologists interviewed, approximately 15% of patients are turned away because the provider is not in-network with the patient's specific insurer. Two major reasons were cited for not reaching a contractual agreement with an insurer:

  1) The parties are not able to come to an agreement regarding the allowability of balance billing. Balance billing would allow the provider to bill the insurer for the difference between the allowable hearing aid benefit and a more expensive option, if elected by the insured.
  2) The insurer solely contracts with a hearing aid network vendor, such as Amplifon or TruHearing, limiting the insured's accessibility to only the providers participating with that vendor.

- While many states mandate hearing aid coverage for children only, some states, including Arkansas, Connecticut, Illinois, New Hampshire, and Rhode Island require coverage for both children and adults.

- The main reasons identified for patients with hearing loss not using hearing aids include the high cost of hearing aids, underestimation of the importance of hearing health, lack of awareness about how to get hearing tested or acquire hearing aids, being uninsured, and accessibility challenges, particularly in rural areas.

- L&E leveraged data from provider interviews and publicly available sources to develop estimates for each variable that could influence cost or utilization, categorizing them into low-end, mid-range (best or point estimate), and high-end assumptions. These ranges aren't confined to just the three scenarios of low, mid, and high illustrated; instead, they are designed to encompass the various uncertainties

inherent in each assumption. This approach aims to offer a spectrum of potential outcomes.

- L&E estimated that the financial impact of the proposed *HB 1145* from 2023 was between 0.00%-0.10% of premium. This impact means that the best or point estimate of this legislation on premiums is an increase of about **0.02% or $0.13 per member per month (PMPM)**. However, the best estimate can be as high as 0.10% of premium (or $0.74 PMPM) or as low as 0.00% of premium (or $0.01 PMPM). The subsequent report discusses the data used to inform each assumption evaluated by L&E in detail. The table below summarizes the calculation of the financial impact.

- Cost impact estimates for similar adult hearing aid coverage mandate proposals in two states ranged from 0.00%-0.36%. L&E considered these estimates in the analysis; however, these estimates included coverage variations of hearing-aid related services and cost-sharing levels, which differ from the Maryland proposal.

Finally, the Commission urges proceeding with caution when considering the adoption of additional mandated health insurance services given their cumulative deleterious impact on affordability over time despite a minimal impact on premiums of any single mandate at the time of adoption.

We appreciate your consideration. If you have any questions or if we may provide you with any further information, please do not hesitate to contact me at ben.steffen@maryland.gov or 410-764-3566 or Ms. Tracey DeShields, Director of Policy Development and External Affairs, at tracey.deshields2@maryland.gov or 410-764-3588.

Sincerely,

Ben Steffen,
Executive Director

cc: The Honorable Teresa Reilly, Health and Government Operations Committee