

SENATE BILL 555

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2000 Regular Session
0lr0909
CF 0lr2536

By: **Senators Hollinger, Bromwell, Collins, Dorman, Hughes, and Kasemeyer**

Introduced and read first time: February 4, 2000
Assigned to: Economic and Environmental Affairs

A BILL ENTITLED

1 AN ACT concerning

2 **Hearing Aid Assistance Program - Establishment and Operation**

3 FOR the purpose of establishing the Hearing Aid Assistance Program in the
4 Department of Health and Mental Hygiene; providing that the Program consists
5 of the Hearing Aid Loaner Bank and the Hearing Aid Loan Fund; establishing
6 the Hearing Aid Loaner Bank in the Department; establishing the Hearing Aid
7 Loan Fund in the Department; providing for the administration and staffing of
8 the Program; providing for the purposes, qualities, operation, and funding of the
9 components of the Program; establishing certain powers and duties of the
10 Director of the Program; requiring the State Treasurer to make a certain annual
11 report to the Director; requiring the Department to enter into a certain
12 memorandum of understanding with the Maryland State Department of
13 Education; requiring the Director to make a certain annual report to the
14 Governor and the General Assembly by a certain date in a certain manner;
15 requiring the Department to adopt certain regulations; defining certain terms;
16 and generally relating to the creation and operation of the Hearing Aid
17 Assistance Program.

18 BY adding to
19 Article - Health - General
20 Section 13-1001 through 13-1007, inclusive, to be under the new subtitle
21 "Subtitle 10. Hearing Aid Assistance Program"
22 Annotated Code of Maryland
23 (1994 Replacement Volume and 1999 Supplement)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
25 MARYLAND, That the Laws of Maryland read as follows:

Article - Health - General

SUBTITLE 10. HEARING AID ASSISTANCE PROGRAM.

3 13-1001.

4 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
5 INDICATED.

6 (B) "DIRECTOR" MEANS THE DIRECTOR OF THE HEARING AID ASSISTANCE
7 PROGRAM.

8 (C) "FUND" MEANS THE HEARING AID LOAN FUND.

9 (D) "LICENSED AUDIOLOGIST" MEANS AN INDIVIDUAL WHO IS LICENSED TO
10 PRACTICE AUDIOLOGY UNDER TITLE 2 OF THE HEALTH OCCUPATIONS ARTICLE.

11 (E) "LOANER BANK" MEANS THE HEARING AID LOANER BANK.

12 (F) "PROGRAM" MEANS THE HEARING AID ASSISTANCE PROGRAM.

13 13-1002.

14 (A) THERE IS A HEARING AID ASSISTANCE PROGRAM IN THE DEPARTMENT.

15 (B) THE PROGRAM CONSISTS OF:

16 (1) THE HEARING AID LOANER BANK; AND

17 (2) THE HEARING AID LOAN FUND.

18 (C) (1) THE PROGRAM SHALL BE ADMINISTERED BY THE DIRECTOR.

19 (2) THE SECRETARY SHALL APPOINT THE DIRECTOR.

20 (3) THE DIRECTOR SHALL BE A LICENSED AUDIOLOGIST.

21 (4) THE DIRECTOR SERVES AT THE PLEASURE OF THE SECRETARY.

22 (D) THE DIRECTOR MAY EMPLOY STAFF AS PROVIDED FOR IN THE STATE
23 BUDGET.

24 13-1003.

25 (A) IN THIS SECTION, "QUALIFIED INDIVIDUAL" MEANS A RESIDENT OF THE
26 STATE WHO IS:

27 (1) IDENTIFIED AS HAVING HEARING LOSS OR OTHER IMPAIRMENT;

28 (2) LESS THAN 4 YEARS OF AGE; AND

1 (3) OTHERWISE WITHOUT IMMEDIATE ACCESS TO A SUITABLE HEARING
2 AID.

3 (B) (1) THERE IS A HEARING AID LOANER BANK IN THE DEPARTMENT.

4 (2) THE LOANER BANK IS ESTABLISHED FOR THE PURPOSE OF LOANING
5 HEARING AIDS TO PARENTS AND LEGAL GUARDIANS OF A QUALIFIED INDIVIDUAL.

6 (C) THE DIRECTOR SHALL:

7 (1) ESTABLISH AND MAINTAIN A POOL OF HEARING AIDS AVAILABLE
8 FOR LOAN;

9 (2) PROVIDE A HEARING AID TO A QUALIFIED INDIVIDUAL FOR WHOM A
10 LICENSED AUDIOLOGIST HAS PRESCRIBED A HEARING AID;

11 (3) ESTABLISH A LOAN FOR A HEARING AID UNDER THIS SECTION FOR
12 NOT MORE THAN 6 MONTHS, TO BE EXTENDED AT THE DISCRETION OF THE
13 DIRECTOR FOR ADDITIONAL 3-MONTH PERIODS;

14 (4) REQUIRE THE RETURN OF A HEARING AID LOANED UNDER THIS
15 SECTION IMMEDIATELY ON THE INDIVIDUAL'S RECEIPT OF A SUITABLE PERMANENT
16 HEARING AID; AND

17 (5) RECONDITION A RETURNED HEARING AID AS NEEDED.

18 (D) (1) TO APPLY FOR A LOAN OF A HEARING AID UNDER THIS SECTION, A
19 PARENT OR LEGAL GUARDIAN OF A QUALIFIED INDIVIDUAL SHALL PROVIDE
20 EVIDENCE THAT:

21 (I) THE INDIVIDUAL IN NEED OF THE HEARING AID IS A
22 QUALIFIED INDIVIDUAL; AND

23 (II) A LICENSED AUDIOLOGIST HAS PRESCRIBED A HEARING AID
24 FOR THE QUALIFIED INDIVIDUAL.

25 (2) IF THE DIRECTOR APPROVES AN APPLICATION, TO OBTAIN A LOAN
26 OF A HEARING AID UNDER THIS SECTION, THE APPLICANT SHALL AGREE TO THE
27 TERMS OF THE LOAN AGREEMENT, AS DETERMINED BY THE DIRECTOR.

28 (E) THE PARENT OR LEGAL GUARDIAN WHO OBTAINS A LOAN OF A HEARING
29 AID UNDER THIS SECTION SHALL BE:

30 (1) CONSIDERED THE CUSTODIAN OF THE HEARING AID;

31 (2) RESPONSIBLE FOR THE PROPER CARE, USE, AND HANDLING OF THE
32 HEARING AID; AND

33 (3) RESPONSIBLE FOR ANY DAMAGE TO OR LOSS OF THE HEARING AID
34 UNTIL THE HEARING AID IS RETURNED TO THE DIRECTOR.

1 (F) THE DIRECTOR SHALL ENSURE THAT THE CHILD'S LICENSED
2 AUDIOLOGIST INFORMS THE PARENT OR LEGAL GUARDIAN ABOUT THE PROPER
3 CARE, USE, AND HANDLING OF A HEARING AID LOANED UNDER THIS SECTION.

4 (G) THE STATE SHALL APPROPRIATE FUNDS THAT ARE SUFFICIENT TO
5 ESTABLISH AND MAINTAIN THE LOANER BANK.

6 13-1004.

7 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
8 INDICATED.

9 (2) "DEPENDENT CHILD" MEANS AN INDIVIDUAL WHO IS CLAIMED AS A
10 DEPENDENT CHILD ON A QUALIFIED BORROWER'S FEDERAL INCOME TAX RETURN.

11 (3) "QUALIFIED BORROWER" MEANS AN INDIVIDUAL WHO:

12 (I) IS A PARENT OR LEGAL GUARDIAN OF A RESIDENT OF THE
13 STATE WHO:

14 1. IS IDENTIFIED AS HAVING HEARING LOSS OR OTHER
15 IMPAIRMENT; AND

16 2. IS A DEPENDENT CHILD; AND

17 (II) MEETS THE QUALIFICATIONS AND REQUIREMENTS PROVIDED
18 IN SUBSECTION (F) OF THIS SECTION AND ANY APPLICABLE REGULATIONS.

19 (4) (I) "RELATED AUDIOLOGY SERVICES" MEANS THOSE SERVICES
20 RENDERED BY A LICENSED AUDIOLOGIST THAT ARE DIRECTLY RELATED TO THE
21 PURCHASE AND INITIAL USE OF A HEARING AID.

22 (II) "RELATED AUDIOLOGY SERVICES" INCLUDES TESTING,
23 FITTING, AND EDUCATING AN INDIVIDUAL ABOUT THE USE OF A HEARING AID.

24 (B) (1) THERE IS A HEARING AID LOAN FUND IN THE DEPARTMENT.

25 (2) THE FUND IS ESTABLISHED TO PROVIDE DIRECT LOANS AND
26 SUBSIDIES OF LOAN INTEREST FOR THE EXPEDITED PURCHASE OF HEARING AIDS
27 AND RELATED AUDIOLOGY SERVICES BY A QUALIFIED BORROWER.

28 (3) THE DIRECTOR SHALL MANAGE THE FUND.

29 (4) THE FUND IS A CONTINUING, NONLAPSING FUND WHICH IS NOT
30 SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

31 (5) THE TREASURER SHALL SEPARATELY HOLD AND THE COMPTROLLER
32 SHALL ACCOUNT FOR THE FUND.

33 (6) ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID INTO
34 THE FUND.

1 (7) IF, AT ANY TIME, THE BALANCE OF THE FUND EXCEEDS THE
2 AMOUNT THAT THE DIRECTOR CONSIDERS NECESSARY TO MEET ITS OBLIGATIONS,
3 THE EXCESS, ON ORDER OF THE DIRECTOR, SHALL REVERT TO THE GENERAL FUND.

4 (C) (1) THE FUND MAY CONSIST OF:

5 (I) PREMIUMS AND FEES FOR THE DIRECT LOANS OR THE
6 SUBSIDIES OF LOAN INTEREST;

7 (II) INCOME FROM INVESTMENT EARNINGS;

8 (III) PROCEEDS FROM THE SALE, DISPOSITION, LEASE, OR RENTAL
9 OF COLLATERAL RELATING TO THE DIRECT LOANS OR SUBSIDIES OF LOAN
10 INTEREST;

11 (IV) MONEYS APPROPRIATED BY THE STATE TO THE FUND; AND

12 (V) ANY OTHER MONEYS MADE AVAILABLE TO THE FUND.

13 (2) THE FUND SHALL BE USED TO PAY ALL EXPENSES AND
14 DISBURSEMENTS, INCLUDING EXPENSES FOR ADMINISTRATIVE, LEGAL, ACTUARIAL,
15 TECHNICAL ASSISTANCE, AND OTHER SERVICES, AUTHORIZED BY THE DIRECTOR
16 FOR:

17 (I) ADMINISTERING THE FUND; AND

18 (II) FINANCING THE DIRECT LOANS AND THE SUBSIDIES OF LOAN
19 INTEREST MADE AGAINST THE FUND TO A QUALIFIED BORROWER.

20 (3) THE STATE SHALL APPROPRIATE FUNDS THAT ARE SUFFICIENT TO
21 ESTABLISH AND MAINTAIN THE FUND.

22 (D) ANNUALLY, THE STATE TREASURER SHALL REPORT TO THE DIRECTOR AS
23 TO:

24 (1) THE STATUS OF THE MONEY INVESTED UNDER THIS SECTION;

25 (2) THE MARKET VALUE OF THE ASSETS IN THE FUND; AND

26 (3) THE INTEREST RECEIVED FROM INVESTMENTS DURING THE PERIOD
27 COVERED BY THE REPORT.

28 (E) THE DIRECTOR, AFTER APPROVING AN APPLICATION, MAY PROVIDE A
29 DIRECT LOAN OR A SUBSIDY OF LOAN INTEREST TO A QUALIFIED BORROWER ONLY
30 IF THE LOAN OR SUBSIDY WILL BE USED DIRECTLY AND EXCLUSIVELY TO ASSIST
31 WITH A PURCHASE OF A HEARING AID AND RELATED AUDIOLOGY SERVICES FOR A
32 DEPENDENT CHILD OF THE QUALIFIED BORROWER.

33 (F) (1) TO APPLY FOR FINANCIAL ASSISTANCE UNDER THIS SECTION, A
34 PARENT OR LEGAL GUARDIAN OF THE DEPENDENT CHILD WHO NEEDS A HEARING

1 AID SHALL SUBMIT TO THE DIRECTOR AN APPLICATION ON THE FORM PROVIDED BY
2 THE DIRECTOR.

3 (2) SUBJECT TO SUBSECTION (H) OF THIS SECTION, TO BE ELIGIBLE FOR
4 FINANCIAL ASSISTANCE UNDER THIS SECTION, AN APPLICANT SHALL:

5 (I) DEMONSTRATE THAT A DIRECT LOAN OR A SUBSIDY OF LOAN
6 INTEREST WILL ASSIST WITH THE PURCHASE OF A HEARING AID AND RELATED
7 AUDIOLOGY SERVICES FOR A RESIDENT OF THE STATE WHO HAS BEEN IDENTIFIED
8 AS HAVING HEARING LOSS OR OTHER IMPAIRMENT AND WHO IS A DEPENDENT
9 CHILD OF THE APPLICANT;

10 (II) PROVIDE EVIDENCE THAT A HEARING AID HAS BEEN
11 PRESCRIBED FOR THE APPLICANT'S DEPENDENT CHILD BY A LICENSED
12 AUDIOLOGIST;

13 (III) PROVIDE EVIDENCE REGARDING ALL HEALTH INSURANCE
14 COVERAGE OR OTHER HEALTH BENEFITS TO WHICH THE APPLICANT'S DEPENDENT
15 CHILD IS ENTITLED;

16 (IV) DEMONSTRATE THE APPLICANT'S ABILITY TO REPAY THE
17 LOAN; AND

18 (V) DEMONSTRATE THE APPLICANT'S CREDITWORTHINESS.

19 (G) THE DIRECTOR SHALL REVIEW THE APPLICATIONS FOR DIRECT LOANS OR
20 SUBSIDIES OF LOAN INTEREST AND APPROVE OR DENY THE APPLICATIONS BASED
21 ON INFORMATION PROVIDED TO OR OBTAINED BY THE DIRECTOR.

22 (H) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE
23 DIRECTOR MAY ONLY PROVIDE A DIRECT LOAN OR A SUBSIDY OF LOAN INTEREST TO
24 THE EXTENT THAT:

25 (1) THE TOTAL COST OF PURCHASING A HEARING AID AND RELATED
26 AUDIOLOGY SERVICES EXCEED ALL HEALTH INSURANCE COVERAGE OR OTHER
27 BENEFITS TO WHICH THE DEPENDENT CHILD IS ENTITLED; AND

28 (2) A QUALIFIED BORROWER IS ELIGIBLE FOR FINANCIAL ASSISTANCE
29 UNDER THIS SECTION, AS DETERMINED BY THE SLIDING ELIGIBILITY SCALE
30 ADOPTED THROUGH REGULATION.

31 (I) IF THE DIRECTOR DECIDES TO SUBSIDIZE LOAN INTEREST, THE DIRECTOR
32 AND LENDER SHALL JOINTLY DETERMINE THE AMOUNT AND TERMS OF THE
33 SUBSIDY.

34 (J) IF THE BORROWER VIOLATES ANY PROVISIONS OF A DIRECT LOAN OR
35 SUBSIDY AGREEMENT OR CEASES TO MEET THE REQUIREMENTS OF THIS SECTION,
36 ON REASONABLE NOTICE TO THE QUALIFIED BORROWER, THE DIRECTOR MAY:

1 (1) WITHHOLD FROM THE QUALIFIED BORROWER FURTHER LOAN
2 SUBSIDIES UNTIL THE BORROWER COMPLIES WITH THE AGREEMENT OR
3 REQUIREMENTS; AND

4 (2) EXERCISE ANY OTHER RIGHT OR REMEDY PROVIDED UNDER THE
5 SUBSIDY AGREEMENT.

6 (K) THE DIRECTOR MAY ESTABLISH AN INTEREST RATE FOR A DIRECT LOAN
7 MADE UNDER THIS SECTION SO LONG AS THE INTEREST RATE DOES NOT EXCEED
8 THE INTEREST RATE OF A 1-YEAR UNITED STATES TREASURY NOTE AT THE TIME OF
9 THE LOAN EXECUTION.

10 (L) A DIRECT LOAN MADE BY THE DIRECTOR UNDER THIS SECTION,
11 INCLUDING ALL INTEREST ACCRUED, SHALL BE REPAYED IN FULL BY THE BORROWER
12 OVER A 3-YEAR PERIOD.

13 (M) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, THE
14 DIRECTOR MAY EXERCISE ALL RIGHTS AND REMEDIES AVAILABLE UNDER:

15 (1) A DIRECT LOAN CONTRACT OR SUBSIDY AGREEMENT EXECUTED
16 UNDER THIS SECTION; AND

17 (2) ANY OTHER APPLICABLE LAW OR REGULATION.

18 13-1005.

19 THE DEPARTMENT SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING
20 WITH THE MARYLAND STATE DEPARTMENT OF EDUCATION TO MAXIMIZE
21 COMMUNICATION AND EFFICIENCIES AMONG OFFICES AND PROGRAMS, INCLUDING
22 THE HEARING AID ASSISTANCE PROGRAM, THAT INVOLVE ASSISTING INDIVIDUALS
23 WITH HEARING LOSS OR OTHER IMPAIRMENT.

24 13-1006.

25 THE DEPARTMENT SHALL ADOPT REGULATIONS TO IMPLEMENT THE
26 PROVISIONS OF THIS SUBTITLE.

27 13-1007.

28 THE DIRECTOR SHALL REPORT ANNUALLY TO THE GOVERNOR AND, SUBJECT
29 TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE GENERAL ASSEMBLY, ON
30 OR BEFORE JANUARY 1 OF EACH YEAR ON:

31 (1) THE NUMBER AND DURATION OF HEARING AID LOANS THROUGH
32 THE LOANER BANK; AND

33 (2) THE NUMBER, AMOUNT, AND USE OF DIRECT LOANS AND SUBSIDIES
34 OF LOAN INTEREST PROVIDED THROUGH THE FUND.

35 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
36 July 1, 2000.

