

Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE

House Bill 26 (Delegate Boschert)

Economic Matters

Health Insurance - Coverage for Hearing Aids

This bill requires an insurer, nonprofit health services plan, and HMO (carrier) to provide coverage for a standard model hearing aid, every three years, for the carrier's insured or enrollee.

This bill applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after October 1, 2000. Any policy or health benefit plan in effect before October 1, 2000, must comply with the bill's provisions by October 1, 2001.

Fiscal Summary

State Effect: Minimal general fund revenue increase from the State's 2% insurance premium tax on for-profit carriers. Minimal special fund revenue increase for the Maryland Insurance Administration from the \$125 rate and form filing fee. No effect on expenditures.

Local Effect: Expenditures for local jurisdiction employee health benefits could increase depending upon the current type of health care coverage offered and number of enrollees. Any increase is expected to be negligible. Revenues would not be affected.

Small Business Effect: Potential minimal.

Analysis

Current Law: Coverage for hearing aids is not a mandated benefit.

State Expenditures: State expenditures should not be affected because the State Employee Health Benefits Plan currently provides coverage for hearing aids, every three years, for its enrollees. The bill's requirements do not apply to Medicaid.

Small Business Effect: Small businesses (two-50 employees) purchase the Comprehensive Standard Health Benefit Plan (CSHBP), which is exempt from including mandated benefits in its coverage. All carriers participating in the small business market must sell the CSHBP to any small business that applies for it. A small business may purchase riders to expand the covered services. In addition, the Maryland Health Care Commission takes mandated benefits into consideration when reevaluating the CSHBP benefit package. Small business health insurance costs may increase if carriers increase their premiums as a result of this bill. Any increase is expected to be negligible.

Additional Comments: This bill addresses "standard model" hearing aids, but it is unclear what type(s) of hearing aids would fall into this category. Hearing aids are classified by size and circuit type. Sizes range from the largest (behind-the-ear models) to the smallest (completely-in-the-canal models). Circuit types range from Class A (the first amplifier introduced in hearing aids) to the new Digital Circuit. Price estimates vary widely (\$700 - \$3,000 per hearing aid) depending on the type of device used. It is assumed, for the purposes of this fiscal estimate, that "standard model" hearing aids include Classes A through H (excluding the Digital Circuit) circuits and are non-programmable.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Alexander Graham Bell Foundation, League for the Hard of Hearing, Coastal Hearing Aid Center, Maryland Insurance Administration, Department of Budget and Management (Employee Benefits Division), Department of Health and Mental Hygiene (Medicaid, Health Care Commission), Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2000
mld/jr

Analysis by: Susan D. John

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510