

Department of Legislative Services  
 Maryland General Assembly  
 2016 Session

FISCAL AND POLICY NOTE  
 Third Reader

House Bill 596

(Delegate Flanagan, *et al.*)

Ways and Means

Education, Health, and Environmental Affairs

State Department of Education - Hearing Aid Loan Bank Program - Age of Eligibility

This bill alters the age of eligibility, from under the age of 3 years to under the age of 18 years, for a child receiving services through the Hearing Aid Loan Bank Program in the Maryland State Department of Education (MSDE).

The bill takes effect July 1, 2016.

Fiscal Summary

**State Effect:** General fund expenditures increase by \$65,000 beginning in FY 2017 for the part-time employment of a project manager and audiologist and for the purchase of additional hearing aids. The \$10,000 cost to replace the additional hearing aids recurs approximately every three years, including in FY 2020. Revenues are not affected.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	65,000	68,500	70,700	83,200	75,700
Net Effect	(\$65,000)	(\$68,500)	(\$70,700)	(\$83,200)	(\$75,700)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law/Background:** Chapters 368 and 369 of 2001 established a hearing aid loan bank program within MSDE, similar to the program under the bill. The statutory provisions establishing that program terminated June 30, 2004, but MSDE continued to operate a hearing aid loan bank program similar to the program established by Chapters 368 and 369. Chapters 539 and 540 of 2011 established the Hearing Aid Loan Bank Program in MSDE. Through the program, hearing aids must be loaned on a temporary basis to the parent or legal guardian of an eligible child younger than age three. The program must employ an otolaryngologist or a licensed audiologist. The State Superintendent of Schools must submit a report on the program by December 31 of each year. MSDE advises that since its inception, the program has served approximately 285 families.

Maryland Insurance Law requires specified insurers, nonprofit health service plans and health maintenance organizations providing services in the State to provide coverage for hearing aids for a minor child who is covered under a health insurance policy if the hearing aids are prescribed, fitted and dispensed by a licensed audiologist. The benefit payable may be limited to \$1,400 per hearing aid for each hearing-impaired ear every 36 months.

**State Expenditures:** MSDE advises that an additional 20 hearing aids, at a cost of \$500 each, will need to be purchased in fiscal 2017, for a total cost of \$10,000 and that these will need to be replaced every three years. Thus approximately \$10,000 will be expended for hearing aids in fiscal 2020.

MSDE also anticipates that an additional contractual part-time (0.2 FTE) project manager and a contractual part-time (0.5) audiologist will be required beginning in fiscal 2017 at a combined annual salary of \$67,000. Including benefits and a 90-day start up delay, first year salary expenditures total \$55,000, increasing to \$75,700 by fiscal 2021.

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## Additional Information

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland State Department of Education, Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2016  
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