

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 641

Finance

(Senator Gallion)

Health and Government Operations

Health Insurance - Required Coverage - Hearing Aids

This bill alters the current health insurance mandate regarding coverage of hearing aids for adults to require coverage if the hearing aids are *ordered, fitted, and dispensed by a licensed hearing aid dispenser*. **The bill takes effect January 1, 2026, and applies to all policies, contracts, and health benefit plans issued, delivered, or renewed in the State on or after that date.**

Fiscal Summary

State Effect: Minimal increase in special fund revenues for the Maryland Insurance Administration from the \$125 rate and form filing fee in FY 2026 only; any additional workload can be handled with existing budgeted resources. No impact on the State Employee and Retiree Health and Welfare Benefits Program.

Local Effect: The bill is not anticipated to materially affect local government finances.

Small Business Effect: Potential meaningful.

Analysis

Current Law: Certain carriers must provide coverage for all medically appropriate and necessary hearing aids for an adult and hearing aids for a minor child covered under a policy or contract if the hearing aids are prescribed, fitted, and dispensed by a licensed audiologist. Carriers may limit the benefits to \$1,400 per hearing aid for each hearing-impaired ear every 36 months. An insured or enrollee may choose a hearing aid that is priced higher than the benefit limit and pay the difference in cost without financial

or contractual penalty to the hearing aid provider. A carrier may provide coverage that is greater or more favorable.

The federal Patient Protection and Affordable Care Act (ACA) requires nongrandfathered health plans to cover 10 essential health benefits (EHBs), which include items and services in the following categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including dental and vision care.

Under § 31-116 of the Maryland Insurance Article, EHBs must be included in the State benchmark plan and, notwithstanding any other benefits mandated by State law, must be the benefits required in (1) all individual health benefit plans and health benefit plans offered to small employers (except for grandfathered health plans) offered outside the Maryland Health Benefit Exchange (MHBE) and (2) all qualified health plans offered in MHBE. The Maryland benchmark plan includes hearing aids as an EHB. Although the original service covered was “hearing aids for a minor child,” the age restriction was removed due to prohibitions on age discrimination in the ACA.

Small Business Effect: Hearing aids ordered, fitted, and dispensed by small business licensed hearing aid dispensers are subject to the current health insurance mandate for coverage of hearing aids for adults.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 1355 (Delegate Reilly, *et al.*) - Health and Government Operations.

Information Source(s): Department of Budget and Management; Maryland Insurance Administration; Department of Legislative Services

Fiscal Note History: First Reader - February 24, 2025
caw/ljm Third Reader - March 17, 2025
Revised - Amendment(s) - March 17, 2025

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