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**TESTIMONY OF
THE
MARYLAND INSURANCE ADMINISTRATION
BEFORE THE
HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE**

FEBRUARY 25, 2021

HOUSE BILL 910 - HEALTH INSURANCE – HEARING AIDS FOR ADULTS - COVERAGE

POSITION: LETTER OF INFORMATION

Thank you for the opportunity to provide written comments regarding House Bill 910. House Bill 910 amends § 15-838 of the Insurance Article to delete the provisions related to the impact of dollar limits on hearing aid benefits for adults, and creates § 15-838.1 which requires health insurers, nonprofit health service plans, and HMOs to cover the cost of adult hearing aids up to \$750 per hearing aid for each hearing-impaired ear every 36 months. Under the new section, the insured is permitted to purchase a higher-cost hearing aid and is permitted to pay the difference between the price of the higher-cost hearing aid and the dollar limit on the hearing aid benefit. As drafted, House Bill 910 would create a new mandated benefit in the large group market and the grandfathered individual market.

Due to federal regulations, the \$750 limit per hearing aid for each hearing-impaired ear every 36 months proposed in the Bill, will only apply to a very narrow segment of the insured market. While grandfathered individual health benefit plans will be permitted to include the benefit limit, the ACA prohibits annual and lifetime dollar limits on Essential Health Benefits (EHBs), and the Maryland benchmark plan already includes hearing aids as an EHB. Consequently, non-grandfathered individual and small group health benefit plans are currently required to cover hearing aids for adults with no dollar limits on the benefits and the Bill cannot change that.

Although large group plans are not required to cover EHBs, federal regulations prohibit grandfathered and non-grandfathered large group plans from applying annual or lifetime dollar limits on any EHBs that are covered under the large group plan. The federal regulations in 45 CFR §147.126(c)(2) specify the options a carrier may choose from when determining how to define

EHBs in a large group plan. Based on those regulations, most carriers currently use the Maryland benchmark plan to define EHB for their large group plans that are offered in Maryland. This means the \$750 limit will not be permissible for most of the large group plans sold in Maryland. The federal regulations would, however, allow carriers to select one of the other permissible options for the definition of EHB for their Maryland large group plans. Depending on the option selected, it is possible that choosing an alternative definition of EHB may allow the carrier to apply the \$750 limit on hearing aid benefits. However, selecting a new EHB definition would impact whether other benefits covered under the plan may be subject to annual and lifetime limits, so it is unknown whether carriers will decide to make this change solely to allow them to apply the hearing aid benefit limit.

While the MIA does not have a policy position on House Bill 910, the MIA believes it is important to clarify for the Committee the actual and limited scope of the plans that can adopt the proposed dollar limit in the Bill.