

Joint Legislative Audit and Review Commission



**Evaluation of House Bill 237:  
Mandated Coverage of Hearing Aids for Children**

Briefing for the Special Advisory Commission on  
Mandated Health Insurance Benefits

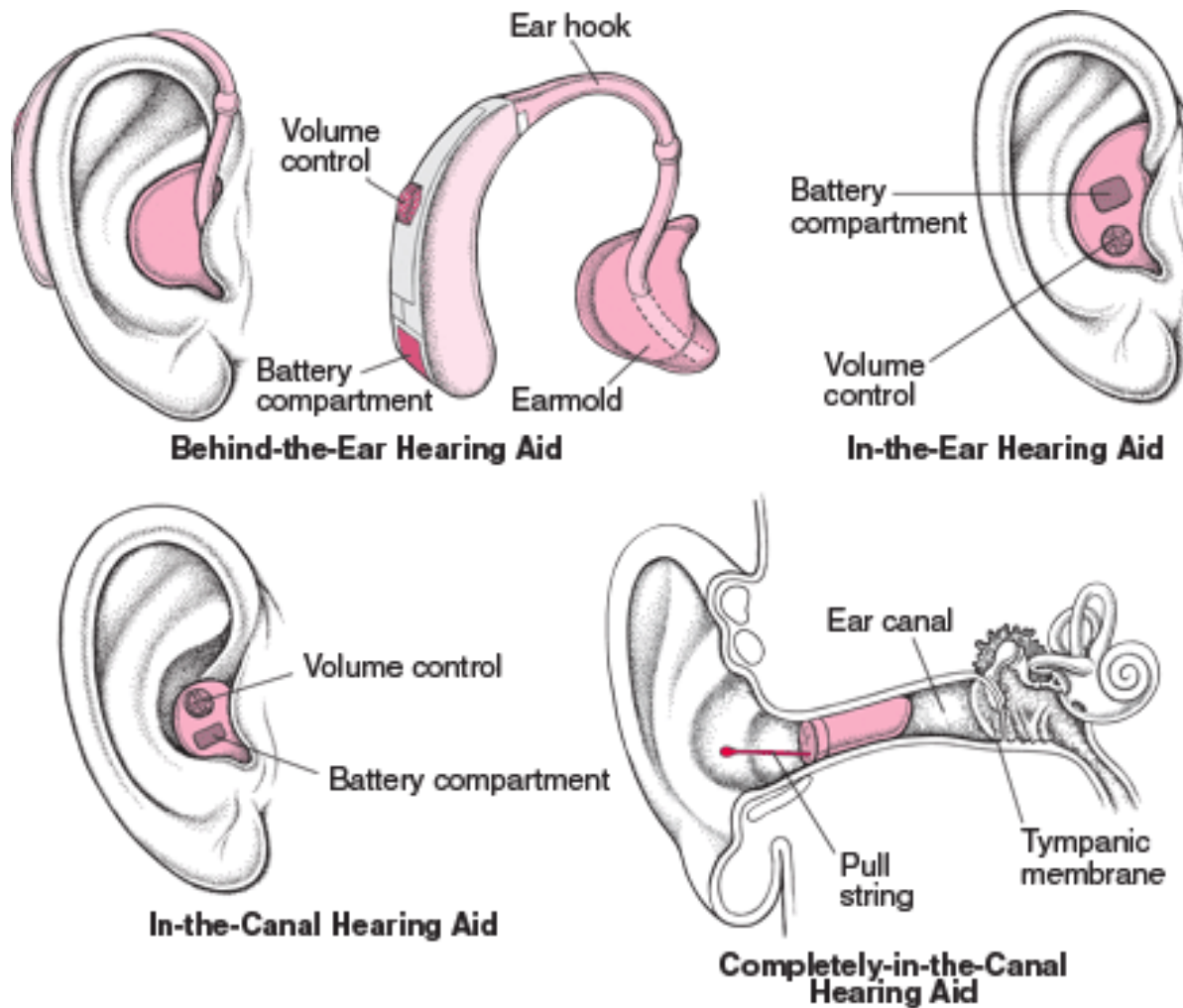
October 27, 2008



# HB 237 Would Cover Hearing Aids for Children up to \$1,500 Every 24 Months

- 16 to 21 in every 1,000 children have hearing loss
- Newborn hearing screening mandated in Virginia
- Hearing aids used by almost 60% of children with hearing loss
- Equipment must be regularly replaced
  - Hearing aids: 3-5 years
  - Batteries: 1-4 weeks
  - Earmolds (for BTE aids): As ear grows

# Digital Behind-the-Ear Aid Most Common for Children



Source: Merck & Co, Online Medical Library

# In This Presentation

- Medical Efficacy and Effectiveness
- Social Impact
- Financial Impact
- Balancing the Medical, Social, and Financial Considerations

## Use of Hearing Aids to Improve Hearing Well Established

- No controlled clinical trials
  - Withholding treatment for research purposes unethical
- Research has not studied the impact of hearing aids alone
- Early identification and intervention positively impact communication of children with hearing loss
  - Vocabulary, speech & language
  - Non-verbal interactions

## Few Insurers Offer Coverage, and Families May Face Financial Hardship

- Only 5% of Virginia insurers provide coverage
- Hearing aids cost from \$500 to \$3,500, average \$1,400 per aid
- Ongoing costs may be significant (estimated \$870 annually)
- State programs exist, but not all children qualify

# Utilization and Premiums Would Likely Increase, But Lifetime Costs May Be Reduced

- Premium impact estimated to be comparable to other mandates
  - Reducing frequency of hearing aid replacement would lessen impact
- Lifetime costs associated with speech therapy, special education, and lost productivity may be reduced

## Concern That HB 237 Does Not Cover Hearing Aids Prescribed by Some Providers

- Only covers aids prescribed by licensed audiologists (consistent with newborn screening protocol)
  - But otolaryngologists or other licensed physicians may prescribe hearing aids (allowed under State and federal law and regulations)
  - May limit access to hearing aids in certain regions

## Coverage of Hearing Aids for Children Consistent With the Role of Insurance and Appears Needed

- Utilization and health insurance costs may increase
- Overall social and healthcare costs may decrease due to positive impacts on individual's ability to communicate
- Insurers cover other procedures to enhance amplification, such as cochlear implants

## **JLARC Staff for Mandated Benefit Evaluations**

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**This evaluation is available on our website**

<http://jlarc.state.va.us>      (804) 786-1258