

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 572

INTRODUCER: Senator Baxley and others

SUBJECT: Insurance Coverage for Hearing Aids for Children

DATE: March 15, 2019

REVISED: 3/18/19

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Billmeier	Knudson	BI	Favorable
2.			HP	
3.			AP	

I. Summary:

SB 572 requires an individual market health insurance policy that provides coverage on an expense-incurred basis for a family member of the insured to provide coverage for children from birth through 21 years of age for hearing aids prescribed, fitted, and dispensed by a licensed audiologist. The bill requires an insurer to provide a minimum coverage amount of \$3,500 per ear within a 24-month period.

The bill provides that if a child experiences a significant and unexpected change in his or her hearing or experiences a medical condition requiring an unexpected change in the hearing aid before the existing 24-month period expires, and alterations to the existing hearing aid do not or cannot meet the needs of the child, a new 24-month period shall begin with full benefits and coverage.

The bill applies to a policy that is issued or renewed on or after January 1, 2020.

II. Present Situation:

Mandated Health Insurance Coverages in Florida

Florida law requires health insurance policies to contain certain required benefits. Examples include:

- Coverage for certain diagnostic and surgical procedures involving bones or joints of the jaw and facial region (s. 627.419(7), F.S.);
- Coverage for bone marrow transplants (s. 627.4236, F.S.);
- Coverage for certain cancer drugs (s. 627.4239, F.S.);
- Coverage for any service performed in an ambulatory surgical center (s. 627.6616, F.S.);
- Diabetes treatment services (s. 627.6408, F.S.);
- Osteoporosis (s. 627.6409, F.S.);

- Certain coverage for newborn children (s. 627.641, F.S.);
- Child health supervision services (s. 627.6416, F.S.);
- Certain coverages related to mastectomies (s. 627.6417, F.S.);
- Mammograms (s. 627.6418, F.S.); and
- Treatment of cleft lip and cleft palate in children (s. 627.64193, F.S.).

Florida law does not require that health insurance policies cover hearing aids for adults or for children.

Federal law may require Florida to assume the costs of additional benefits that it requires of insurance companies.¹

Section 624.215, F.S., requires every person or organization seeking consideration of a legislative proposal which would mandate a health coverage or the offering of a health coverage by an insurance carrier, to submit to the Agency for Health Care Administration and the legislative committees having jurisdiction a report which assesses the social and financial impacts of the proposed coverage. Proponents of this bill provided information to committee staff relating to hearing loss in children, hearing aid insurance requirements in other states, and a projection of the number of children that will benefit from the bill.²

Hearing Loss in Children

One in eight people in the United States (13 percent, or 30 million) aged 12 years or older has hearing loss in both ears, based on standard hearing examinations.³ About 2 to 3 out of every 1,000 children in the United States are born with a detectable level of hearing loss in one or both ears.⁴ One group estimates that the prevalence of hearing loss among children rises to 5 out of every 1,000 children between the ages of 3 and 17.⁵

Insurance Coverage for Hearing Aids

Medicare does not cover hearing aids or hearing exams. Some Medicare Advantage Plans offer hearing coverage.⁶

Florida's Medicaid program covers hearing aids. For recipients who have moderate hearing loss or greater, the program includes the following services:

- One new, complete, (not refurbished) hearing aid device per ear, every 3 years, per recipient;
- Up to three pairs of ear molds per year, per recipient; and

¹ See 42 U.S.C. s. 18031(3)(B)(ii).

² Information provided by Theresa Bulger is on file with the Committee on Banking and Insurance. No report was provided to the Agency for Health Care Administration (Email from the Agency for Health Care Administration to Committee Staff dated March 14, 2019)(on file with the Committee on Banking and Insurance).

³ See National Institutes for Health, National Institute on Deafness and Other Communication Disorders at <https://www.nidcd.nih.gov/health/statistics/quick-statistics-hearing> (last visited March 13, 2019).

⁴ See National Institutes for Health, National Institute on Deafness and Other Communication Disorders at <https://www.nidcd.nih.gov/health/statistics/quick-statistics-hearing> (last visited March 13, 2019).

⁵ Facts About Hearing Loss in Children by the Florida Academy of Audiology (on file with the Committee on Banking and Insurance).

⁶ See <https://www.medicare.gov/coverage/hearing-aids> (last visited March 13, 2019).

- One fitting and dispensing service per ear, every 3 years, per recipient.⁷

Medicaid also covers repairs and replacement of both Medicaid and non-Medicaid provided hearing aids, up to two hearing aid repairs every 366 days, after the 1 year warranty period has expired.⁸

The Veterans Administration provides hearing aids for veterans in some circumstances.^{9,10}

According to the Office of Insurance Regulation, two of the nine carriers in the individual market have forms that cover hearing aids. Four of the fourteen carriers in the small group market have forms that cover hearing aids.¹¹

It appears that twenty-four states require health benefits plans to provide coverage for hearing aids for children.¹² Coverage requirements range from requiring a hearing aid every 24 months to every 5 years. Many states include caps on the amount the insurer must pay. These caps range from \$1,000 to \$4,000.¹³

III. Effect of Proposed Changes:

This bill requires a health insurance policy that provides coverage on an expense-incurred basis for a family member of the insured to provide coverage for children from birth through 21 years of age for hearing aids prescribed, fitted, and dispensed by a licensed audiologist.¹⁴ This bill would only apply to individual plans because part VI of ch. 627, F.S., does not apply to group plans.¹⁵ This bill does not impact the state group insurance program.¹⁶

The bill requires an insurer to provide a minimum coverage amount of \$3,500 per ear within a 24-month period. An insured is responsible for the cost of hearing aids and related services that exceed the coverage provided by his or her policy.

The bill provides that if a child experiences a significant and unexpected change in his or her hearing or experiences a medical condition requiring an unexpected change in the hearing aid before the existing 24-month period expires, and alterations to the existing hearing aid do not or

⁷ See Rule 54G-4.110, Florida Administrative Code. The hearing services coverage policy from the Agency for Health Care Administration is <https://www.flrules.org/Gateway/reference.asp?No=Ref-06744> (last visited March 13, 2019).

⁸ See Rule 54G-4.110, Florida Administrative Code. The hearing services coverage policy from the Agency for Health Care Administration is <https://www.flrules.org/Gateway/reference.asp?No=Ref-06744> (last visited March 13, 2019).

⁹ See <https://www.military.com/benefits/veterans-health-care/va-health-care-hearing-aids.html> (last visited March 13, 2019).

¹⁰ See https://www.myhealth.va.gov/mhv-portal-web/hearing-aids?_ga=2.237892288.1976680439.1552503778-1097040133.1552503778 (last visited March 13, 2019).

¹¹ Email from Office of Insurance Regulation staff to Committee staff dated March 18, 2019 (on file with the Committee on Banking and Insurance).

¹² See information gathered by the American Speech-Language-Hearing Association at https://www.asha.org/advocacy/state/issues/ha_reimbursement.htm and Florida Coalition for Spoken Languages, *The Florida Hearing Care for Children Act* (on file with the Committee on Banking and Insurance).

¹³ See https://www.asha.org/advocacy/state/issues/ha_reimbursement.htm (last visited March 14, 2019).

¹⁴ The bill would not cover hearing aids dispensed by hearing aid specialists licensed under ss. 484.0401-484.059, F.S.

¹⁵ See 627.601, F.S.

¹⁶ Email from Department of Management Services to Committee Staff dated March 14, 2019 (on file with the Committee on Banking and Insurance).

cannot meet the needs of the child, a new 24-month period shall begin with full benefits and coverage.

The bill applies to a policy that is issued or renewed on or after January 1, 2020.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Florida Coalition for Spoken Languages estimated that 1,709 children would obtain hearing aids under the bill. This would cost \$11,662,204 in the first year, or \$5,831,102 over 2 years. The group did not provide an estimate on how many additional hearing aids would be needed due to significant hearing changes in some children.¹⁷

C. Government Sector Impact:

Federal law may require Florida to assume the costs of additional benefits that it requires of insurance companies.¹⁸ The Office of Insurance Regulation reports that Florida may be

¹⁷ Florida Coalition for Spoken Languages, *The Florida Hearing Care for Children Act* (on file with the Committee on Banking and Insurance).

¹⁸ See 42 U.S.C. s. 18031(3)(B)(ii).

required to defray the cost of any new mandate that raises the cost of subsidies paid by the federal government.¹⁹

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 627.6413 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

¹⁹ 2019 Agency Bill Analysis SB 572 by the Office of Insurance Regulation (February 4, 2019)(on file with the Committee on Banking and Insurance).