

## State Corporation Commission 2008 Fiscal Impact Statement

**1. Bill Number:** HB237

House of Origin	<u>X</u>	Introduced	___	Substitute	___	Engrossed
Second House	___	In Committee	___	Substitute	___	Enrolled

**2. Patron:** Cosgrove

**3. Committee:** Commerce and Labor

**4. Title:** Health insurance; mandated coverage for hearing aids for minors.

**5. Summary/Purpose:** Requires each insurer to provide coverage for hearing aids and related services for children from birth to age 18. The bill applies to insurers proposing to issue individual or group accident and sickness insurance policies providing hospital, medical and surgical, or major medical coverage on an expense-incurred basis; each corporation providing individual or group accident and sickness subscription contracts; and each health maintenance organization (HMO) providing a health care plan for health care services. Such coverage shall include payment of the cost of one hearing aid per hearing-impaired ear every 24 months, up to \$1,500 per hearing aid. The insured may choose a higher-priced hearing aid and may pay the difference in cost above \$1,500, with no financial or contractual penalty to the insured or to the provider of the hearing aid. The bill also provides that no insurer, corporation, or health maintenance organization shall impose upon any person receiving benefits pursuant to this section any co-payment, fee, or condition that is not equally imposed upon all individuals in the same benefit category. The bill defines hearing aids as “any wearable, non-disposable instrument or device designed or offered to aid or compensate for impaired human hearing and any parts, attachments, or accessories, including ear molds, but excluding batteries and cords.” Hearing aids are not to be considered durable medical equipment. Related services are defined as including ear molds, initial batteries, and other necessary equipment, maintenance, and adaptation training. The bill provides that coverage under the section is only for services and equipment prescribed by a certified audiologist licensed under Chapter 26 of Title 54.1 (§54.1-2600 et seq.) The bill does not apply to short-term travel, accident only, limited or specified disease policies, or contracts designed for persons with Medicare, or similar state or federal government plans, or short-term non-renewable policies of not more than six months duration.

**6. Fiscal Impact Estimates:** No Fiscal Impact on the State Corporation Commission

**7. Budget amendment necessary:** No

**8. Fiscal implications:** None on the State Corporation Commission

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** House Bill 237 is very similar to HB 2032 (2003 Session), which was reviewed by the Special Advisory Commission on Mandated Health Insurance Benefits. The Advisory Commission recommended against enactment of that bill. House Bill 237 sets the payment limits at one hearing aid per impaired ear every 24 months, up to \$1500 per hearing aid. 2003 's House Bill 2032 set the limit at one hearing aid every 26 months, up to \$1400 per hearing aid.

**Date:** 01/19/08 / V. Tompkins

cc: Secretary of Commerce and Trade  
Secretary of Health and Human Resources