

State Corporation Commission 2015 Fiscal Impact Statement

1. Bill Number: HB2156

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Krupicka

3. Committee: Commerce and Labor

4. Title: Health insurance; coverage for hearing aids and related professional services.

5. Summary: Health insurance; coverage for hearing aids and related professional services. Requires health insurers, health maintenance organizations, and corporations providing health care coverage subscription contracts to provide coverage for hearing aids and related professional services when prescribed or provided by a licensed audiologist.

6. Budget amendment necessary: Item 467-Compensation and Benefits

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission

8. Fiscal implications: There are no fiscal implications on the State Corporation Commission. However, according to the Department of Human Resources Management (DHRM), Anthem has notified DHRM that this bill is expected to have a state fiscal impact of \$3.49 million. According to Anthem, this is based on information from the National Institutes of Health library and studies that have shown approximately 14.2% of Americans ≥ 50 years with hearing loss wear hearing aids. COVA's current population in the ≥ 50 year old range is over 64,000. Using these percentages, approximately 9,000 COVA members could potentially require the use of hearing devices. The cost of hearing aids ranges from \$800 - \$2,000 per ear.

9. Specific agency or political subdivisions affected: Administration of Health Insurance (within the Department of Human Resource Management); State Corporation Commission and the Commission's Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Various proposals for the coverage of hearing aids and related services have been considered by the Virginia General Assembly several times over the last 15 years. The proposals varied by several considerations including the age of the individuals eligible for coverage of hearing aids, the number of hearing aids covered in a given period, and the amounts of coverage for the hearing aids and related services. House Bill 2156 does not impose limits on the number of hearing aids, the amount of payment for the hearing aids, or the frequency in which hearing aids and related professional services may be obtained.

The Special Advisory Commission (SAC) on Mandated Health Insurance Benefits considered previously proposed mandates of coverage for hearing aids several times beginning in 2000. In accordance with legislation enacted last year, the SAC no longer exists, and reviews of proposed new mandates are now conducted by the Health Insurance Reform Commission.

Date: 01/22/15/V. Tompkins

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