

State Corporation Commission

2019 Fiscal Impact Statement

1. Bill Number: HB2601

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Plum

3. Committee: Committee on Commerce and Labor

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

5. Summary: Requires health insurers, corporations providing health care coverage subscription contracts, and health maintenance organizations to provide coverage for the billed charges of one hearing aid per hearing impaired ear not to exceed \$3,000 per hearing aid for minors. The measure requires the coverage to provide the replacement for one hearing aid per hearing impaired ear every 48 months. The measure exempts the requirement for coverage if (i) the contract, policy, or plan is offered by any employer with 10 or fewer employees; (ii) an actuary certifies that providing the coverage will result in an increase in premiums of one percent or more; or (iii) the contract, policy, or plan is offered on a health benefit exchange and the benefits provided exceed the essential health benefits required under § 1302(b) of the federal Patient Protection and Affordable Care Act. The measure applies to policies, contracts, and plans delivered, issued for delivery, or renewed on or after January 1, 2020.

6. Budget amendment necessary: No

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

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: The State Corporation Commission Bureau of Insurance advised the patron that federal rules promulgated by the Centers for Medicare and Medicaid Services (CMS) have implications for House Bill 2601 as follows:

- Age limits placed on benefits in state law, such as at Lines 15-16 of the bill, may be determined to be discriminatory by CMS unless based on clinical evidence.
- The language of subsection H beginning on Line 77 may be contrary to Section 1252 of the Affordable Care Act (ACA), which provides that state standards or requirements implementing, or related to, standards or requirements in Title 1 of the ACA must be applied uniformly to all health plans in each insurance market to which the standard and requirement apply.
- The understanding of the Bureau of Insurance with regard to the ACA is that a requirement can no longer be imposed on a portion of the small group market because every small employer must be guaranteed issuance of any plan sold in the small group market. Accordingly, consideration should be given to revising or deleting Subsection I beginning on Line 84.

11. Other comments: Various proposals for the coverage of hearing aids and related services have been considered by the Virginia General Assembly over the 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. The mandate for coverage of hearing aids was last considered by the Health Insurance Reform Commission in 2015 when it reviewed 2015 House Bill 2156, which was not recommended for enactment.

Date: 01/16/19/V. Tompkins