

State Corporation Commission

2020 Fiscal Impact Statement

1. Bill Number: SB423

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

2. Patron: DeSteph

3. Committee: Finance and Appropriations

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

5. Summary: Requires health insurers, health maintenance organizations, and corporations providing health care coverage subscription contracts to provide coverage for hearing aids and related services for children 18 years of age or younger when a licensed audiologist prescribes such hearing aids and related services. The coverage includes one hearing aid per hearing-impaired ear, up to a cost of \$1,500, every 24 months. The measure applies to policies, contracts, and plans delivered, issued for delivery, or renewed on and after January 1, 2021.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission or on the Department of Human Resource Management's Health Insurance Fund

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: The coverage mandate for hearing aids was last considered in the Health Insurance Reform Commission in 2019 when House Bill 2601, a variation on coverage for hearing aids, was considered via a Step One assessment. No further action was taken on the bill, so Senate Bill 423 could be referred to HIRC for review.

Coverage for hearing aids is specifically excluded from the Virginia Essential Health Benefit Benchmark Plan and would be considered a new mandated benefit. Although states may require a qualified health plan to offer a benefit in addition to the Essential Health Benefits (EHBs), coverage which exceeds the scope of the EHBs required by the Affordable Care Act could result in the state defraying the cost of such a mandated benefit under health plans sold on the Exchange. The State Corporation Commission Bureau of Insurance would, therefore, characterize coverage for hearing aids as a new benefit for which costs to the Commonwealth could be incurred.

According to a survey of carriers by the Virginia Association of Health Plans in 2019, coverage for hearing aids among carriers varies from no coverage to varied coverage among each carrier's plan. None of the carriers covering hearing aids limited the coverage to children.

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House Bill 1594 is identical to Senate Bill 423. On January 20, 2020, Senate Bill 423 was amended and reported in Senate Commerce and Labor and rereferred to Senate Finance and Appropriations.

Date: 1/21/20/V.Tompkins