

2nd REVISION
State Corporation Commission
2020 Fiscal Impact Statement

1. Bill Number: HB1594

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

2. Patron: Cole, J.G.

3. Committee: Labor and Commerce

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. See Item 8.

7. Fiscal Impact Estimates: No fiscal impact on the State Corporation Commission. The impact on the State Health Insurance Plan is minimal. See Line #8.

8. Fiscal Implications: None on the State Corporation Commission. According to the Department of Human Resource Management, the proposed legislation is estimated to increase costs on the State Health Insurance Plan by \$249,000. The Fund, however, is expected to be able to cover this amount and would not require changes to the premiums or funding provided for the employer share of state health insurance premiums in 2020 House Bill/Senate Bill 30.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission Bureau of Insurance and the Department of Human Resource Management

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 House Bill 1594 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 in the form of payment to insurance carriers for the portion of qualified health plan premium attributable to the proposed benefits.

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.

Senate Bill 423 is identical to House Bill 1594. House Bill 1594 has been continued to 2021 and referred to the Health Insurance Reform Commission in accordance with § 30-343 of the Code of Virginia.

Date: 2/21/20/V.Tompkins