

# **Insurance Coverage for Children's Hearing Aids: Making it a Reality**

Joni Alberg, Executive Director

BEGINNINGS For Parents of Children  
Who Are Deaf or Hard of Hearing, Inc.

# Laying the Groundwork

## Develop a Guide

Laurel Thompson, Aneesha Pretto and Joni Alberg met to discuss plans and timelines for the preparation of a bill to require NC-based health insurance providers to cover the cost of hearing aids for children. Our goal is to have a bill ready by early March for introduction in both the NC House and Senate.

**Obtain copies of legislation passed in other states (RI, CT, MD, CO, NM, MN, KY, OK, LA, MO—NJ, DE, ME)**

### **Commonalities and differences**

Aneesha and Laurel shared the information they have gathered to date which include a comparison of legislation enacted in other states. This link will take you to the comparison (note the list is not complete—CO, NJ, ME also have passed legislation). <http://www.hearingloss.org/advocacy/govtassistance.asp> Aneesha and Laurel agreed to complete the chart by adding summaries from CO, NH and ME. This information will be used to guide the NC legislation, e.g., coverage age, amount of coverage, number of hearing aids covered, and frequency of coverage availability.)

# Preparation for Hearing Aid Legislation

- Obtain copies of legislation passed in other states (RI, CT, MD, CO, NM, MN, KY, OK, LA, MO—NJ, DE, ME)
  - Commonalities and differences
- Identify the components we want for NC legislation
- Identify “others” to work with us
  - EHDI Advisory Committee
  - NC SHLA
  - DHHS
    - Charnese Ransome, DHHS Legislative Liaison
    - Dwight Pearson, Kathy Rhoades, OES
    - Jeff Mobley, Jan Withers, DSDHH
    - Council on Services for Deaf and Hard of Hearing



- **DPI**

- **Howard Lee, School Board Chair**

- **Mary Watson, Exceptional Children's Division Director**
- **Rachael Ragin, HI consultant**
- **Tom Winton, Branch Chief**
- **Vivian James, Preschool Coordinator**
- **Chris Minard—Legislative Liaison**
- **Marvin Pittman—Community Liason**

- **Parents**

- **HITCH-UP**
- **BEGINNINGS Families**
- **NC AG Bell**

- **Legislators**

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- A group of people in a meeting room. In the foreground, a woman with blonde hair, wearing a dark blazer, is smiling and looking at a laptop. Behind her, a man in a white shirt and tie is looking towards the camera. In the background, a woman in a patterned top is holding a red folder. The room has wood paneling and a desk with papers and a pen.
- **Insurance Industry**
    - BCBS of NC
  - **Hearing Loss Association of NC**
  - **Next Steps**
    - Obtain supporting documentation
    - Review and Compare
    - Draft NC legislation
    - Background and Talking Points
    - Obtain sponsors in House and Senate
    - Follow and educate legislators

# Proposed Draft Legislation

## Proposed Legislation

**A health benefit plan shall provide coverage, subject to all applicable copayments, coinsurance, deductibles and out-of-pocket limits, for the full cost of one (1) hearing aid per hearing-impaired ear up to two thousand five hundred dollars (\$2,500) every thirty-six (36) months for hearing aids for insured individuals under twenty two (22) years of age and all related services which shall be prescribed by an audiologist licensed under/pursuant to \_\_\_\_\_ . The hearing aids shall be medically appropriate to meet the needs of the child according to accepted professional standards. Coverage shall include the purchase of the following:**

**Initial hearing aids and replacement hearing aids not more frequently than every three years;**

**A new hearing aid when alterations to the existing hearing aid cannot adequately meet the needs of the child;**

**Services and supplies including, but not limited to, the initial assessment, fitting, adjustments, and auditory training that is provided according to accepted professional standards.**

**This act shall take effect January 1, 2010, and shall apply to policies issued or renewed on or after said date.**

# Proposed Legislation

Require NC-based health insurance providers to include coverage for hearing aids for children with hearing loss, birth through age 21, of \$2,000 per ear every 36 months.

(Hearing aids cost \$3,000 to \$6,000 per pair.)

## Newborn Hearing Screening in NC

- The NC General Assembly mandated newborn hearing screening for all babies in 1999, with full implementation effective August 1, 2000. A preponderance of evidence...
- The average educational cost for a child with hearing loss who is not identified early and provided the necessary intervention, ...
- NC had **130,886 live births in 2007**.
- **Cost of newborn hearing screening** ranges from \$120 to \$340 per child (**average \$230**). (Based on UNC Hospitals billing codes for hearing screening of \$120 for Screen OAE and \$220 for Screen ABR; average cost is \$230.)
- **Total estimated cost to screen in 2007:**  $130,886 \times \$230 = \$30,103,780$

NOTE: In a 2006 article, S. Grosse reported a much different average screening cost (\$91 per child in 2004 dollars with a range of costs from \$0 to \$200). Using the \$91 average cost, total estimated cost to screen babies in 2007 was \$11,910,626.

[http://www.businessgrouphealth.org/benefitstopics/topics/purchasers/condition\\_specific/evidencestatements/newbornhearing\\_childhealthpromotion\\_es.pdf](http://www.businessgrouphealth.org/benefitstopics/topics/purchasers/condition_specific/evidencestatements/newbornhearing_childhealthpromotion_es.pdf)

- Approximately 3.6% of babies require ...  
**3,740 x \$230 = \$860,200**

### Diagnosis of Hearing Loss in NC

- Approximately 1.7 children per 1,000 births, or **223 children under the age of 3 years**, in NC were **diagnosed with permanent hearing loss in 2007**.
- Reported costs of **diagnosing** an infant with hearing loss **range from \$5,000 to \$17,750**.  
(As reported by ASHA in...

223 children x \$5,000 = \$1,115,000

223 children x \$17,750 = \$3,958,250

**Range of diagnostic cost is \$1,115,000 to \$3,958,250.**



## Total Cost to NC for Hearing Screening and Diagnosis (based on 2007 data)

Using the data above, the cost for newborn hearing screening and diagnosis **ranges from a low estimate of \$13,025,626 to a high estimate of \$34,062,030.**

## States with Mandated Insurance Coverage for Children's Hearing Aids

13 states--RI, CT, MD, CO, NM, MN, KY, OK, LA, MO, NJ, ME, DE--have passed legislation requiring insurance coverage for hearing aids for children. Coverage ranges from a low of \$500 to a high of \$2,500 per hearing aid, ...

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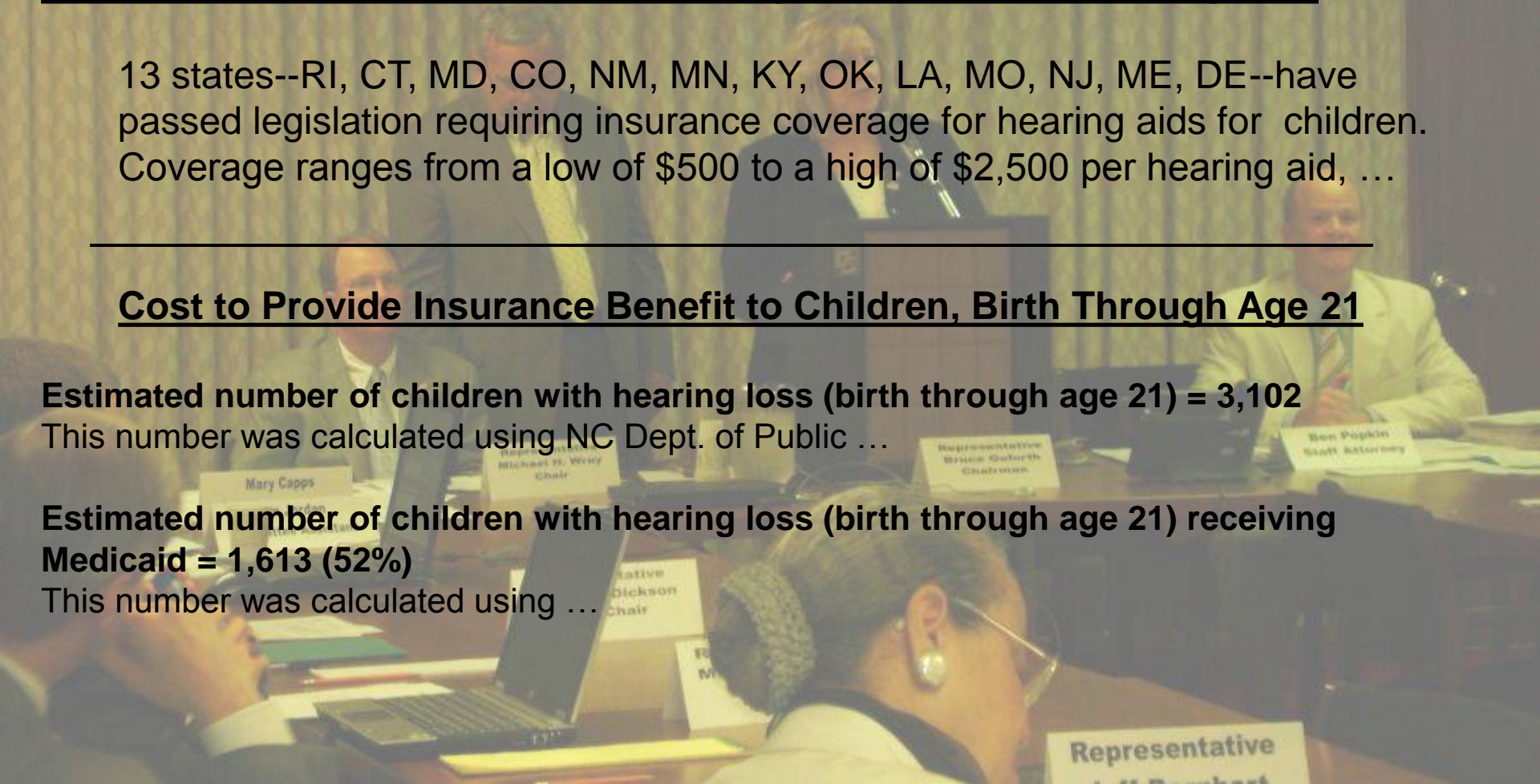
## Cost to Provide Insurance Benefit to Children, Birth Through Age 21

**Estimated number of children with hearing loss (birth through age 21) = 3,102**

This number was calculated using NC Dept. of Public ...

**Estimated number of children with hearing loss (birth through age 21) receiving Medicaid = 1,613 (52%)**

This number was calculated using ...



**Estimated number of children with hearing loss (birth through age 21) needing insurance coverage for hearing aids = 1,489**

**Estimated number of children with hearing loss (birth through age 21) accessing benefit annually = 496** This figure was calculated using the assumption ...

**Estimated cost of benefit per year = \$1,984,000**

496 x \$4,000 (the maximum benefit per child @ \$2,000 per ear). Keep in mind, all children identified with hearing loss will not require hearing aids. ...

**Estimated number of insured North Carolinians = 5,106,140**

From the National Ranking of States with Uninsured Population (source: ...

**Estimated insurance premium increase per insured NC citizen = \$ .39**

\$1,985,000 annual estimated cost of hearing aid insurance benefit / 5,106,140 insured residents = \$ .39 increase in annual premium to cover the hearing aid benefit.

## Proposed Legislation

A health benefit plan shall provide coverage, subject to all applicable copayments, coinsurance, deductibles and out-of-pocket limits, for the full cost of one (1) hearing aid per hearing-impaired ear up to two thousand five hundred dollars (\$2,500) every thirty-six (36) months for hearing aids for insured individuals under twenty two (22) years of age and all related services which shall be prescribed by an audiologist licensed under NC G.S. 93D. The hearing aids shall be medically appropriate to meet the needs of the child according to accepted professional standards. Coverage shall include the purchase of the following:

- (1) Initial hearing aids and replacement hearing aids not more frequently than every three years;
- (2) A new hearing aid when alterations to the existing hearing aid cannot adequately meet the needs of the child;
- (3) Services and supplies (e.g., earmolds, batteries, and related supplies) including but not limited to initial hearing aid evaluation, fitting and adjustments that are provided according to accepted standards.

This act shall take effect January 1, 2010, and shall apply to policies issued or renewed on or after said date.

Primary Sponsor-Senate  
Senator Bill Purcell

Primary Sponsors-House  
Representative Bob England  
Representative Rick Glazier  
Representative Lynn Wiley  
Representative Martha Alexander

**SECTION 1.** Article 3 of Chapter 58 of the General Statutes is amended by adding the following new section to read:

**"§ 58-3-280. Coverage for hearings aids.**

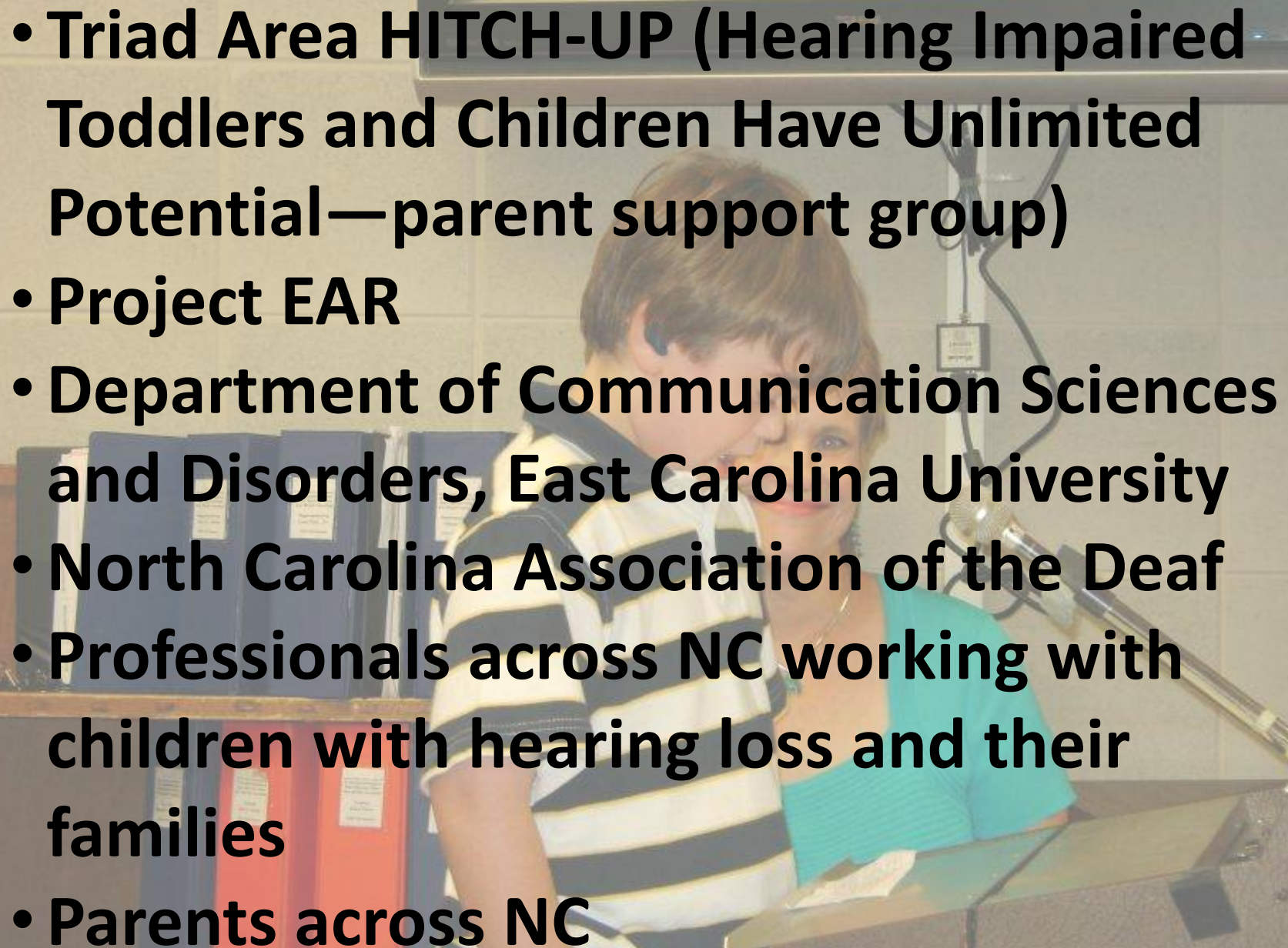
(a) Every health benefit plan, including the State Health Plan for Teachers and State Employees, shall provide coverage for one hearing aid per hearing-impaired ear, up to two thousand five hundred dollars (\$2,500) per hearing aid, every 36 months for covered individuals under the age of 22 years, subject to section (c). The coverage shall include all medically necessary hearing aids and services that are ordered by an audiologist licensed in this State. . Coverage shall be as follows:

- (1) Initial hearing aids and replacement hearing aids not more frequently than every 36 months.
- (2) A new hearing aid when alterations to the existing hearing aid cannot adequately meet the needs of the covered individual.
- (3) Services and supplies including the initial hearing aid evaluation, fitting, and adjustments.

(b) Nothing in this section prevents an insurer from applying utilization review criteria to determine medical necessity as defined in G.S. 58-50-61 as long as it does so in.....

## Supporters of S375 & H589

- BEGINNINGS for Parents of Children Who Are Deaf or Hard of Hearing, Inc.
- NC Chapter of the Alexander Graham Bell Association for the Deaf and Hard of Hearing
- NC Hearing Loss Association
- The Arc of North Carolina
- NC Medical Society
- NC Speech Hearing Language Association
- NC Exceptional Children's Division, Department of Public Instruction
- NC Office of Education Services, Department of Health and Human Services
- NC Early Hearing Detection and Intervention Advisory Board
- NC Division of Services for the Deaf and Hard of Hearing, Department of Health and Human Services
- NC Family Support Network
- UNC Hospitals, Division of Otology/Neurotology and Skull Base Surgery
- Division of Speech & Hearing Sciences, UNC-CH School of Medicine
- Carolina Children's Communicative Disorders Program (CCCDP)
- Center for the Acquisition of Spoken Language Through Listening Enrichment (CASTLE)

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- **Triad Area HITCH-UP (Hearing Impaired Toddlers and Children Have Unlimited Potential—parent support group)**
  - **Project EAR**
  - **Department of Communication Sciences and Disorders, East Carolina University**
  - **North Carolina Association of the Deaf**
  - **Professionals across NC working with children with hearing loss and their families**
  - **Parents across NC**

# Talking Points

- In NC, approximately 1.7 children per 1,000 births or 223 children under the age of 3 years, were diagnosed with permanent hearing loss in 2007 at an average cost of \$11,375 per child for a total of \$2,536,625.
- Research has shown that children diagnosed with hearing loss and provided amplification within the first 6 months of life will develop the language foundation necessary for literacy and academic success by the time they start kindergarten.
- The average educational cost for a child with hearing loss who is not provided the necessary intervention, including hearing technology, is estimated to require special education services of \$417,000 to \$500,000 during the educational years, and an additional \$500,000 in public support after leaving the educational setting.
- 1 pair of hearing aids cost between \$3,000 and \$6,000.
- 13 states--RI, CT, MD, CO, NM, MN, KY, OK, LA, MO, NJ, ME, DE--have passed legislation requiring insurance coverage for hearing aids for children.

## Cost to Provide Health Plan Benefit to Children, Birth through Age 21

- Estimated number of children in NC with hearing loss (birth through age 21) = 3,102
- Estimated number of children in NC with hearing loss (birth through age 21) covered by Medicaid = 1,613 (52%--percentage used by the NC Division of Public Health)
- Estimated number of children with hearing loss (birth through age 21) needing health plan benefit coverage for hearing aids = 1,489
- Estimated number of children with hearing loss (birth through age 21) accessing benefit annually = 496
- Estimated cost of benefit per year = \$1,984,000
- Estimated number of insured North Carolinians = 5,106,140
- Estimated insurance premium increase per insured NC citizen = \$ .39

*Data used in the above calculations was obtained from a variety of resources including, UNC Hospitals, NC Division of Public Health, NC Department of Public Instruction's Annual Exceptional Children Headcount, NC Office of Education Services, National Ranking of States with Uninsured Population, BEGINNINGS For Parents of Children Who Are Deaf or Hard of Hearing, NC Division of Services for the Deaf and Hard of Hearing.*

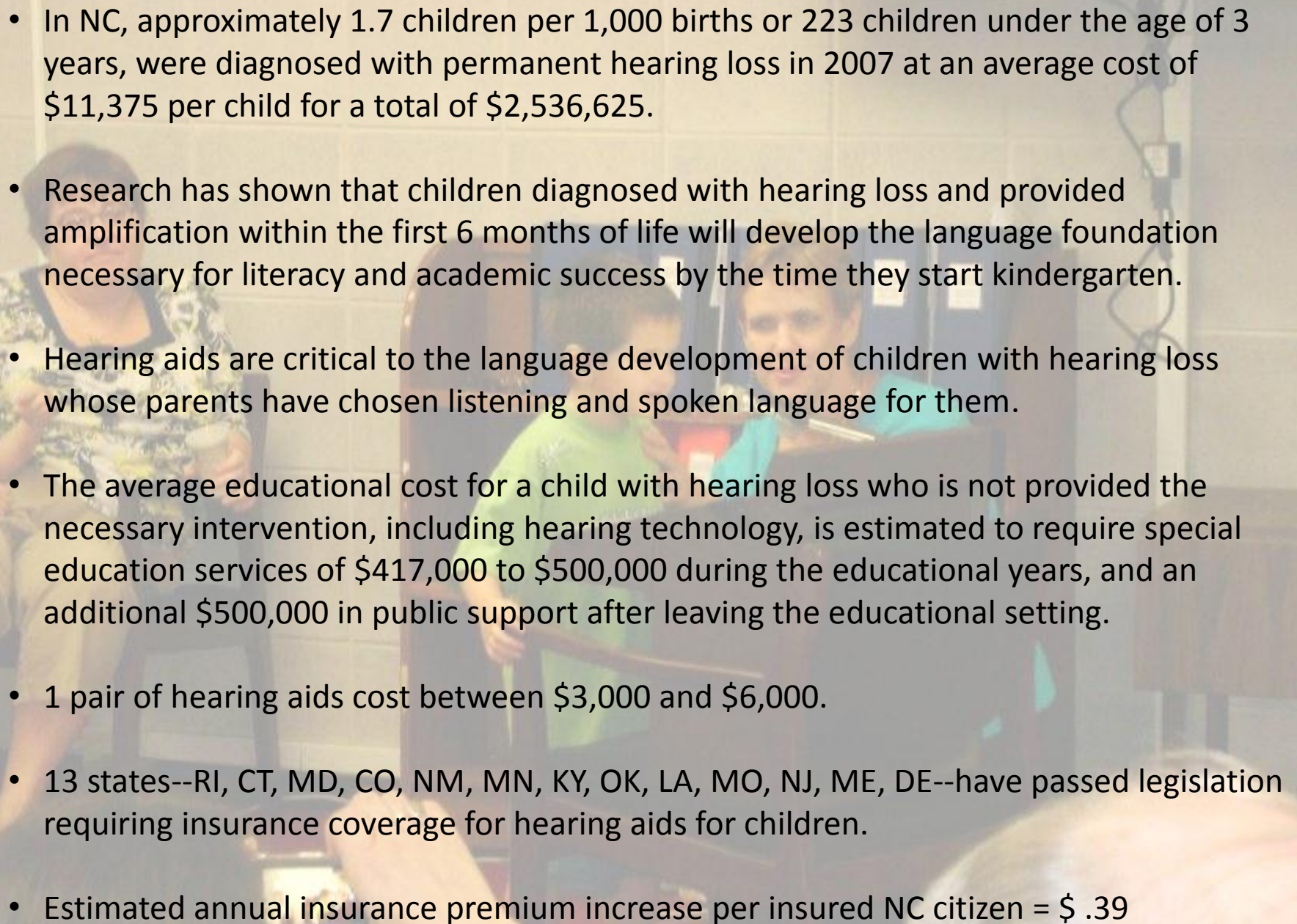


# Talking Points for Parents

## Senate Bill 375/House Bill 589

Health benefit plan coverage for hearing aids for children with hearing loss, birth through age 21, up to \$2,500 per ear every 36 months.

- *Let me tell you about my child and family.....*
- Insurance coverage of hearing aids is greatly needed.
- Hearing aids cost between \$3,000 and \$6,000. *My child's hearing aids cost \$\_\_\_\_\_.*
- *This benefit would have helped my family.....*

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- In NC, approximately 1.7 children per 1,000 births or 223 children under the age of 3 years, were diagnosed with permanent hearing loss in 2007 at an average cost of \$11,375 per child for a total of \$2,536,625.
  - Research has shown that children diagnosed with hearing loss and provided amplification within the first 6 months of life will develop the language foundation necessary for literacy and academic success by the time they start kindergarten.
  - Hearing aids are critical to the language development of children with hearing loss whose parents have chosen listening and spoken language for them.
  - The average educational cost for a child with hearing loss who is not provided the necessary intervention, including hearing technology, is estimated to require special education services of \$417,000 to \$500,000 during the educational years, and an additional \$500,000 in public support after leaving the educational setting.
  - 1 pair of hearing aids cost between \$3,000 and \$6,000.
  - 13 states--RI, CT, MD, CO, NM, MN, KY, OK, LA, MO, NJ, ME, DE--have passed legislation requiring insurance coverage for hearing aids for children.
  - Estimated annual insurance premium increase per insured NC citizen = \$ .39

# NC House of Representatives

Yellow Green highlight = supporter of children's hearing loss issues  
Green type or highlight = full appropriations committee chairs

Party	District	Member	Counties Represented
Dem	58	<a href="#">Alma Adams</a>	<a href="#">Guilford</a>
Dem	107	<a href="#">Kelly M. Alexander, Jr.</a>	<a href="#">Mecklenburg</a>
Dem	106	<a href="#">Martha B. Alexander</a>	<a href="#">Mecklenburg</a>
Dem	49	<a href="#">Lucy T. Allen</a>	<a href="#">Franklin</a> , <a href="#">Halifax</a> , <a href="#">Nash</a>
Rep	64	<a href="#">Cary D. Allred</a>	<a href="#">Alamance</a>
Rep	40	<a href="#">Marilyn Avila</a>	<a href="#">Wake</a>
Rep	82	<a href="#">Jeff Barnhart</a>	<a href="#">Cabarrus</a>

**DRAFT**

4808 Corinthian Way  
Greensboro, NC 27410  
(336) 664-6380

8/12/09

Dear Representative Hackney, Senator Basnight, and Conference Committee Members for H589:

We are writing you concerning House Bill 589. This Bill, as originally written, would require health benefit plan coverage for hearing aids for children with hearing loss, birth through age 21, up to \$2,500 per ear every 36 months. However, toward the end of the legislative process the bill was amended to include an Autism "rider."

We find our legislative process very discouraging when a Bill comes through House and Senate Committees and both the House and Senate floors with unanimous approval, BUT fails to pass in the end due to a "rider" that was added by a Senate committee. We applaud ...

We ask you to please address and pass this Bill at the earliest opportunity when the legislature next convenes. The children and families you represent are counting on you!

Sincerely,

For more information...

Joni Alberg

[jalberg@ncbegin.org](mailto:jalberg@ncbegin.org)