

SENATE BILL REPORT

SB 5179

As Reported by Senate Committee On:
Health Care, February 2, 2017
Ways & Means, February 24, 2017

Title: An act relating to requiring coverage for hearing instruments under public employee and medicaid programs.

Brief Description: Requiring coverage for hearing instruments under public employee and medicaid programs.

Sponsors: Senators Bailey, Keiser, Palumbo, Hasegawa and Conway.

Brief History:

Committee Activity: Health Care: 1/26/17, 2/02/17 [DPS-WM].
Ways & Means: 2/22/17, 2/24/17 [DP2S].

Brief Summary of Second Substitute Bill

- Requires coverage of hearing aids for Medicaid covered enrollees and employees covered by the Public Employees Benefits Board (PEBB) plans.

SENATE COMMITTEE ON HEALTH CARE

Majority Report: That Substitute Senate Bill No. 5179 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Rivers, Chair; Becker, Vice Chair; Cleveland, Ranking Minority Member; Kuderer, Assistant Ranking Minority Member; Bailey, Conway, Keiser, Miloscia, Mullet, O'Ban and Walsh.

Staff: Mich'l Needham (786-7442)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 5179 be substituted therefor, and the second substitute bill do pass.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Ranker, Ranking Minority Member; Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Bailey, Becker, Billig, Conway, Darneille, Fain, Hasegawa, Keiser, Miloscia, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Staff: Sandy Stith (786-7710)

Background: Washington State Medicaid is an umbrella of programs, including the medical program commonly known as Apple Health with 1.9 million enrollees. The program currently only covers hearing aids for children under the age of 20 and for clients of the Developmental Disability Administration age 21 and over. The program covers new, non-refurbished hearing aids that meet the client's specific hearing needs and they must be under warranty for a minimum of one year. Replacements are covered if the hearing aid is lost, beyond repair, or not sufficient for the client's hearing loss.

The PEBB program covers over 300,000 employees and retirees with medical and dental benefits. The comprehensive medical benefit packages for employees and retirees currently include coverage for an annual hearing exam, and hearing aids are covered with an \$800 benefit every three calendar years. Hearing aids can cost several thousands of dollars per hearing aid.

The regulation of health care professionals that engage in hearing and speech services falls under RCW 18.35, which requires the fitting and dispensing of hearing instruments be performed by a licensed hearing aid specialist or a licensed audiologist.

Summary of Bill (Second Substitute): Beginning January 1, 2018, health plans offered to Medicaid enrollees and to PEBB covered employees must include coverage for hearing instruments. Subject to amounts appropriated for this purpose, for PEBB covered employees, coverage must include a new hearing instrument every five years, and services and supplies such as the initial assessment, fitting, adjustment, and auditory training.

For Medicaid enrollees, coverage must include, when medically necessary, a new hearing instrument every five years, a new hearing instrument when alterations to the existing hearing instrument cannot meet the needs of the patient, and services and supplies such as the initial assessment, fitting, adjustment, and auditory training. If specific funding is not provided in the Omnibus Appropriations Act, this provision will be null and void.

The hearing instrument must be recommended by a licensed audiologist or hearing aid specialist and dispensed by a licensed audiologist or hearing aid specialist.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Second Substitute):

- Makes PEBB hearing aid coverage change subject to appropriation, and removes the reference to medical necessity and providing a new hearing aid when the existing hearing aid cannot meet the needs of the patient—leaves the replacement subject to the time limits in the benefit coverage.

- Adds a null and void clause for the Medicaid hearing aid coverage.

EFFECT OF CHANGES MADE BY HEALTH CARE COMMITTEE (First Substitute):

- Makes a correction by removing "prescribed" and inserting "recommended" and adding the hearing aid specialist as a professional that may recommend hearing aids.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Health Care): *The committee recommended a different version of the bill than what was heard.* PRO: Having access to hearing aids can make all the difference for an individual with a hearing loss. The hearing aid is the key gateway to accessing the many tools that can offer hearing assistance. They are very expensive and average more than \$2,000 each, and are beyond the reach of low-income individuals. Low-income individuals living on an income of \$700 a month cannot possibly afford hearing aids nor will anyone provide them a loan to finance them. The benefit was stripped out of Medicaid during the recession and now it is time to restore it. It is great Medicaid covers children with hearing aids but they age out of the program and need replacements at some point. Access to hearing aids allows me to stay in the workforce and communicate with the world. The vast majority of clients seeking hearing aids do not have insurance coverage. Those that have even a little coverage find it helpful to have some support to access the hearing aid. The hearing aids are not covered by Medicare or Medicaid so even the lowest income dual-eligible enrollees do not get assistance. The population with hearing loss is growing and of those individuals over age 75, almost 50 percent have hearing loss.

CON: The Hearing Society supports all these bills that are focused on hearing loss today, but we need a technical correction in the bill regarding the providers that dispense hearing aids. They do not prescribe hearing aids and all the recognized professionals should be listed in the bill.

Persons Testifying (Health Care): PRO: Senator Barbara Bailey, Prime Sponsor; Cynthia Stewart, citizen; Lindsay Klarman, Hearing, Speech & Deaf Center; Warren Weissman, HLAA; Jennifer Mechem, HLAA; Cheri Perazzoli, HLAA; Alexandra Degroot, citizen; Cathy Maccaul, AARP; Devin Myers, Hearing Loss Association of America -WA.

CON: Sandra Hubbard, Washington Hearing Society.

Persons Signed In To Testify But Not Testifying (Health Care): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: We support this bill because it is important for adults to understand what others are saying and hearing aids are very expensive. Medicaid covered hearing aids until January 2011. The inability to hear can cause confusion, social isolation, reduced quality of life, and reduced earning ability. Hearing loss has been associated with dementia and accelerated cognitive decline. Hearing aids can help people with dementia by reducing confusion and facilitating caregiver communication. This reduces the burden on caregivers. This can postpone the need for institutionalization for a person with dementia, which also reduces costs. Providing hearing aids to Medicaid recipients will save the state money. Hearing and communicating is vital to our existence. Loss of hearing affects your ability to communicate, which can lead to dangerous miscommunication with doctors, law enforcement, and anyone you communicate with. This has long term costs. \$562 per person is a small cost compared to the long term costs of treating someone with dementia. This improves quality of life and saves money. Two-thirds of people over 65 years of age suffer hearing loss. Medicaid cost for treating people with Alzheimer's is over \$11,000 per year. This is 19 times higher than someone without. The cost of a hearing aid is less than \$600.

Persons Testifying (Ways & Means): PRO: Joanna Grist, AARP; Diana Thompson, Hearing Loss Association of America - Washington State; Cheri Perazzoli, Hearing Loss Association of Washington.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.