REPORT OF THE COUNCIL ON MEDICAL SERVICE

CMS Report 6-I-15

Subject: Hearing Aid Coverage
(Resolutions 812-I-14 and 817-I-14)

Presented by: Robert E. Hertzka, MD, Chair

Referred to: Reference Committee J
(Jeffrey P. Gold, MD, Chair)

At the 2014 Interim Meeting, the House of Delegates referred two resolutions addressing hearing aid coverage. Resolution 812-I-14, "Health Plan Coverage for Hearing Aid Devices," which was introduced by the American Academy of Pediatrics, asked:

> That our American Medical Association (AMA) support state advocacy efforts that would mandate universal health plan coverage of hearing aid devices to patients with hearing loss, regardless of age, to help them realize the potential benefits from appropriate amplification that is properly fit, adjusted and used as part of a comprehensive intervention plan. Coverage should also recognize the need for replacement of hearing aids due to maturation, change in hearing ability, and normal wear and tear.

Resolution 817-I-14, "Medicare Coverage of Hearing Aids," which was introduced by the Florida Delegation, asked:

> That our AMA support Medicare coverage of hearing aid devices, including external and implantable hearing aid devices.

The Board of Trustees assigned these resolutions to the Council on Medical Service for report back to the House of Delegates at the 2015 Interim Meeting. This report provides background on hearing loss and hearing aid coverage for people of all ages; summarizes relevant AMA policy; and makes policy recommendations.

BACKGROUND

Hearing loss can occur at any age, although its prevalence increases exponentially with age. According to statistics compiled by the National Institute on Deafness and Other Communication Disorders, two to three of every 1,000 children in the US are born with a detectable level of hearing loss. Approximately 15 percent of adults aged 18 and over, or 37.5 million Americans, report some degree of hearing loss. Disabling hearing loss is experienced by two percent of adults aged 45 to 54, 8.5 percent of adults aged 55-64, nearly a quarter of adults aged 65 to 74, and half of adults who are 75 and older.[1]

Hearing loss reduces a person's sound awareness and ability to listen and understand speech, and can diminish one's quality of life. Among older adults, empirical studies have identified associations between hearing loss and frailty, lower levels of physical activity, social isolation, depression, health care expenditures and even earlier mortality.[2]

Hearing aids are amplifying devices that compensate for mild to profound hearing loss experienced by people of all ages. They range in price from hundreds to several thousand dollars; the average cost is estimated to be about $2,500. Out-of-pocket expenses for a pair of hearing aids (most people experience hearing loss in both ears) ranges from about $4,000 to $6,000, a considerable expense that is not covered by Medicare or most insurance plans and that is beyond the means of many patients who could benefit from them.

Children's Coverage

Hearing loss profoundly affects the social development of children, their ability to communicate and their speech development. The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program, which is the child health component under Medicaid, requires hearing aid coverage for children up to age 21. The EPSDT benefit is more robust than the Medicaid benefit for adults and is designed to assure that hearing loss is detected and treated in children as early as possible. That being said, several barriers limit children's access to hearing aid devices under Medicaid, including low payment rates and limited availability of pediatric hearing health professionals in some areas.

According to the American Academy of Pediatrics, 20 states have health insurance mandates requiring some private health plan coverage for hearing aids for children. However, the type of coverage varies by criteria such as ages covered, coverage amounts and benefit period. For example, Colorado requires insurance carriers to cover hearing aids for children under 18 when medically necessary, and must include new hearing aids at least every five years, whereas Connecticut requires coverage for children up to age 12 and allows policies to limit the benefit to $1,000 every two years.[3]

A recent study on the Affordable Care Act's pediatric essential health benefit (EHB) found that 24 states include hearing aid coverage for children.[4] EHBs provide coverage standards for non-grandfathered health plans sold in individual and small-group markets, including plans sold via state health insurance marketplaces. Under federal regulations, pediatric EHBs must include oral health care and vision coverage. States may add hearing aid coverage to their pediatric benchmark plans but it is not a federal requirement.

Early intervention through the Individuals with Disabilities Education Act (IDEA) also provides coverage for certain costs associated with audiology services and hearing devices for children. These services are provided through local school districts or health departments, depending on the state, and vary with regard to degrees of hearing loss required to obtain assistance under the program.

Adult Coverage

According to the Hearing Loss Association of America, approximately 20 state Medicaid programs provide coverage of hearing aids and related services.[5] Coverage in some states is quite limited with additional barriers such as prior authorization requirements and low Medicaid payment rates.

The US Department of Veterans Affairs provides hearing aids and related services to qualified military veterans and is the country's largest purchaser of hearing aids. In 2013, the VA purchased 617,000 hearing aids, or about 20 percent of the US market.[6]

Few private insurance plans cover hearing aids for adults, and among those that do, most coverage is limited. The American Speech-Language-Hearing Association lists 20 states that currently

require health care plans to include some payment for hearing aids. Most of these mandate coverage for children, and only three states—Arkansas, New Hampshire and Rhode Island—require insurers to provide hearing aid coverage to adults.[7]

Private insurance policies that provide coverage of hearing aids typically only cover a portion of the cost. For example, a health plan may pay a specified amount—such as $500 or $1,000—toward a hearing aid purchase, or the plan may provide discounts with contracted hearing aid providers. In addition, private health plans may offer hearing-aid coverage riders on their policies for an additional premium cost to members who select the rider option. Those who enroll in a rider are generally given discounts on hearing aids and batteries for themselves and covered family members under specific parameters as described in the rider, such as contracted vendors where devices must be purchased.

Medicare

Medicare's Initial Preventive Physical Examination, also known as the "Welcome to Medicare Preventive Visit" requires physicians to review the patient's functional ability and level of safety. As part of this once-per-lifetime visit, physicians are directed to use appropriate screenings that are recognized by national professional medical associations to review certain functional areas, including hearing impairment. However, Section 1862(a)(7) of the Social Security Act explicitly excludes hearing aids and related exams from Medicare coverage.[8] A diagnostic hearing exam ordered because of recent illness or injury may be covered by Medicare Part B, but if a hearing aid is prescribed during such an exam, it is not covered. Some Medicare Advantage (Part C) plans cover hearing exams and hearing aids, although this coverage varies and may not be available in all areas.

Certain prosthetic devices that are indicated for patients who cannot use or do not benefit from hearing aids—such as cochlear implants, auditory brainstem implants and osseointegrated implants—are covered by Medicare. However, the primary treatment for most hearing loss, which is a properly fitted hearing aid, is prohibited by law from being paid for by Medicare. The Medicare Hearing Aid Coverage Act of 2015 would remove the provisions in the Social Security Act that prohibit Medicare from covering hearing aids.

RELEVANT AMA POLICY

AMA policy supports hearing aid coverage for children via Policy H-165.846[2], which advocates that the EPSDT program be used as the model for any essential health benefits package for children. Policy H-245.970 supports early hearing detection and intervention for infants, and supports federal legislation that provides statewide programs for hearing screening of newborns and infants, prompt evaluation and diagnosis of children referred from screening programs, and appropriate interventions and follow-up for children with hearing loss.

However, Policy H-185.964 opposes new health benefit mandates unrelated to patient protections, which jeopardize coverage to currently insured populations. Similarly, under Policy H-165.856, the AMA supports the principle that benefit mandates should be minimized to allow markets to determine benefit packages and permit a wide choice of coverage options.

AMA policy is silent with regard to adult and Medicare coverage of hearing aids.

DISCUSSION

The Council recognizes that access to hearing aids by people with hearing loss improves health outcomes, and that a lack of access to these devices can adversely impact the quality of life of people of all ages. In its recommendations, the Council seeks to balance the value of hearing aid coverage with concerns over costs and new benefit mandates.

The Council is particularly concerned that many children with hearing loss may not receive hearing aids and appropriate related services due to a lack of coverage or limitations on existing coverage under the patchwork of public and private insurance mandates described in this report. Accordingly, the Council recommends reaffirmation of Policies H-245.970 and H-165.846. Consistent with these policies, and to further minimize negative outcomes on children with hearing loss who would benefit from hearing aid devices but lack adequate coverage, the Council suggests adopting new policy that explicitly affirms the AMA's support for children's hearing aid coverage. The Council recommends that the AMA support public and private health insurance coverage that provides all infants and children with hearing loss access to appropriate hearing health professionals, services and devices, including digital hearing aids. The Council further recommends that this coverage should, at minimum, recognize the need for replacement of hearing aids due to maturation, change in hearing ability and normal wear and tear.

With regard to adult coverage, the Council considered whether AMA support for state benefit mandates would conflict with existing AMA policy that generally opposes new benefit mandates and supports the minimization of new benefit mandates. The Council concluded that a recommendation supporting adult hearing aid coverage mandates would conflict with Policies H-185.964 and Policy H-165.856. In an effort to increase access to hearing aids and related services among adults with hearing loss, the Council recommends encouraging private health plans to offer optional riders allowing their members to add hearing benefits to existing policies which offset the costs of hearing aid purchases, hearing-related exams and related services. Regarding Medicare, the Council notes that Medicare managed care plans (Part C) are private plans that could offer riders.

The Council also discussed whether to recommend that the AMA support Medicare coverage or partial coverage of hearing aids and related services. Prevalence of hearing loss increases with age, and the incidence of hearing loss among Medicare patients is expected to increase exponentially in the coming years. The Medicare population is projected to increase from 55 million enrollees today to over 81 million people by 2030 as baby boomers age into the program.[9] The cost of hearing aid coverage for several million eligible enrollees would be considerable. The Council is mindful that the goal of the Medicare program is to ensure patient access to high-quality services while encouraging efficient use of government resources. The Council also notes that supplemental insurance and Medicare Advantage plans, which pay for some hearing aid expenses, are available to a subset of Medicare patients with hearing loss. For these reasons, the Council does not recommend that the AMA support Medicare coverage of hearing aids.

RECOMMENDATIONS

The Council on Medical Service recommends that the following be adopted in lieu of Resolutions 812-I-14 and 817-I-14, and that the remainder of the report be filed.

1. That our American Medical Association (AMA) reaffirm Policy H-245.970, which supports early hearing detection and intervention to ensure that all infants receive proper hearing screening, diagnostic evaluation, intervention and follow-up in a timely manner. (Reaffirm HOD Policy)

2. That our AMA reaffirm Policy H-165.846, which advocates that the Early Periodic Screening, Diagnostic, and Treatment (EPSDT) program be used as the model for any essential health benefits package for children. (Reaffirm HOD Policy)

3. That our AMA support public and private health insurance coverage that provides all hearing-impaired infants and children access to appropriate physician-led teams and hearing services and devices, including digital hearing aids. (New HOD Policy)

4. That our AMA support hearing aid coverage for children that, at minimum, recognizes the need for replacement of hearing aids due to maturation, change in hearing ability and normal wear and tear. (New HOD Policy)

5. That our AMA encourage private health plans to offer optional riders that allow their members to add hearing benefits to existing policies to offset the costs of hearing aid purchases, hearing-related exams and related services. (New HOD Policy)

6. That our AMA support coverage of hearing tests administered by a physician or physician-led team as part of Medicare's benefit. (New HOD Policy)

Fiscal Note: Less than $500.

REFERENCES

[1] National Institutes of Health. National Institute on Deafness and Other Communications Disorders. Quick Statistics. http://www.nidcd.nih.gov/health/statistics/pages/quick.aspx.
[2] American Academy of Otolaryngology – Head and Neck Surgery. Letter to the Centers for Medicare & Medicaid Services re: Scope of Hearing Aid Coverage Exclusion in the Medicare Program; End-Stage Renal Disease Prospective Payment System, Quality Incentive Program, and Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Proposed Rule. September 2, 2014.
[3] American Academy of Pediatrics. Email to AMA staff dated April 20, 2015.
[4] Grace, AM, Noonan, KG, Cheng, TL, et al. The ACA's Pediatric Essential Health Benefit Has Resulted in a Patchwork of Coverage With Exclusions. *Health Affairs*, 33, no. 12 (2014):2136-2143.
[5] Hearing Loss Association of America. Medicaid Regulations. As of: January 2015. http://www.hearingloss.org/sites/default/files/docs/MEDICAID_REGULATIONS.pdf.
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[7] Hearing Loss Association of America. Medicaid Regulations. As of: January 2015. http://www.hearingloss.org/sites/default/files/docs/MEDICAID_REGULATIONS.pdf.
[8] U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. Excerpt from the Medicare Benefit Policy Manual: Chapter 16 – General Exclusions from Coverage.
[9] Medicare Payment Advisory Commission. A Data Book: Health Care Spending and the Medicare Program. June 2015.