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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 243
133rd General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 243's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Weinstein and Russo

Local Impact Statement Procedure Required: Yes

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Highlights

- Requiring that all health benefit plans provide coverage for (1) the full cost of up to \$1,400 per hearing aid¹ for each hearing-impaired ear every 36 months for a covered person under 22 years of age and (2) all related services, would minimally increase costs to the state to provide health benefits to employees and their dependents.
- The requirement would increase costs to local governments to provide health benefits to their employees and their dependents by approximately between \$730,000 and \$1.5 million statewide in the first year. School districts' costs to provide health benefits to employees and their dependents would increase by between \$901,000 and \$1.8 million statewide in the first year. Any local government that already provides the required coverage would experience no cost increase. These estimates are rough, and actual costs could be lower or higher.
- After the initial year, the range of average annual costs would be roughly one-third of the ranges listed in the previous bullet because the bill requires the coverage only once in every three years.

¹ The bill defines a "hearing aid" as any wearable instrument or device designed or offered for the purpose of aiding or compensating for impaired human hearing, including all attachments, accessories, and parts thereof, except batteries and cords, that is dispensed by a hearing aid dealer licensed under Chapter 4747 of the Revised Code or by an audiologist licensed under Chapter 4753 of the Revised Code.

Detailed Analysis

The bill requires health benefit plans to provide coverage for the full cost of both of the following: (1) one hearing aid per hearing-impaired ear up to \$1,400 every 36 months for a covered person under 22 years of age, and (2) all related services prescribed by a licensed audiologist and dispensed by a licensed audiologist or licensed hearing aid dealer. The bill specifies that a health plan issuer is not required to pay a claim for the cost of a hearing aid if less than 36 months prior to the date of the claim, the covered person received the required coverage from any health benefit plan. The bill allows a covered person to choose a higher priced hearing aid and may pay the difference in cost above the \$1,400 per hearing aid required coverage without any financial or contractual penalty to the covered person or to the provider of the hearing aid.

Under current law, no mandated health benefits legislation enacted by the General Assembly may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state. The bill includes provisions that exempt its requirements from this restriction.

The required coverage applies to all health benefit plans, as defined in section 3922.01 of the Revised Code, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the effective date of this bill.

Fiscal effect

According to a Department of Administrative Services (DAS) official, the state's health benefit plans are currently providing more generous coverage for hearing aids than is required under the bill. The official also indicated that if there is any additional cost to the state's plan, it would be minimal. The state's health benefit plan is more generous in the sense that the state plan does not limit the coverage to the first \$1,400 of the cost of a hearing aid, and the benefit is available to a covered individual every year rather than once every 36 months, but the state's plan does require copayments that are not permitted under the bill.² The costs of state employees' health benefits are paid out of the State Employee Health Benefit Fund (Fund 8080). Fund 8080 is funded by employer contributions derived from the GRF and various state funds and state employee payroll deductions.

The required coverage would increase costs to local governments to provide health benefits to employees and their dependents, though any political subdivision that already complies with the bill's requirements would experience no cost increase. Based on the

² Under the state's health benefit plans, hearing aid benefits for accident, congenital illness, or injury are covered at 80% after deductible for network providers and at 60% after deductible for non-network providers with no age limit or lifetime maximum, in each plan year while hearing aid benefits for natural hearing loss are covered at 50% after deductible for both network and non-network providers, with a \$1,000 lifetime maximum. In addition, hearing exams are covered through age 21 at 100% for network providers, and at 60% after deductible and a \$30 copay for non-network providers.

assumptions below, the estimated statewide costs to local governments would be between \$730,000 and \$1.5 million in the first year; after the initial year, the average annual costs would be lower because the coverage is not required every year, ranging between \$244,000 and \$487,000. The estimated statewide costs to school districts would be between \$901,000 and \$1.8 million in the first year; similarly, after the initial year, the average annual costs would range between \$301,000 and \$601,000.

The number of individuals under 22 years of age and residing in Ohio who have been diagnosed with a hearing loss and therefore require a hearing aid is undetermined. However, according to data derived from the 2013-2017 American Community Survey (ACS) Public Use Microdata Sample (Ohio), prepared by the U.S. Census Bureau, there are approximately 21,572 individuals in Ohio who are under 22 years of age and have hearing difficulty. Only some of these individuals would be covered by a health benefit plan provided by a government employer. In 2017, approximately 58.9% of Ohioans received their health insurance coverage through their employer, based on data from the 2017 ACS, published by the U.S. Census Bureau. In addition, based on Nonagricultural Wage and Salary Employment in Ohio, 2018, published by the U.S. Bureau of Labor Statistics (BLS), 1.0% of the Ohio nonfarm workforce was employed by state government (not including those employed by an educational institution), 4.1% were employed by local government (not including those employed by an education institution or a local government hospital), and 5.1% were employed in local government education.

Assuming that 58.9% of the estimated 21,572 individuals with hearing difficulty receive coverage through an employer's health plan and are covered by governmental plans in proportion to the overall employment of Ohioans reported by the BLS above, the estimated number of individuals with hearing difficulty that are covered by an employer provided health plan is estimated to be roughly 12,706. The number of such individuals that are covered by a state health plan is estimated to be about 128, the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be about 522, and the number covered by a school district-sponsored health plan is estimated to be about 644.

Assuming all individuals in Ohio who have hearing difficulty mentioned above have one or two hearing impaired ears and required a hearing aid or two hearing aids, and the bill's requirement that costs for services related to the required hearing aids coverage may be subject to a limit of \$1,400 per hearing impaired ear per 36 months, the estimated total costs to the state to provide the required coverage for these individuals would range between \$179,000 and \$357,000, but most of this cost is already covered under the state's plan. For local government employers, the statewide estimated costs would be between \$730,000 and \$1.5 million for local governments, and between \$901,000 and \$1.8 million for school districts. In general, the costs of hearing aids range "from about \$1,500 to a few thousand dollars. Professional fees, remote controls, hearing aid accessories and other hearing aid options may cost extra."³ Actual costs to public employers could be lower or higher than the estimates and would depend on the number of individuals covered by such public employers, the number of hearing aids required by each eligible person, and other costs related to hearing aid services.

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³ *Hearing aids: How to choose the right one*, posted on Mayo Clinic's website at: <https://www.mayoclinic.org/diseases-conditions/hearing-loss/in-depth/hearing-aids/art-20044116>.