

MAINE STATE LEGISLATURE

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Minor

DATE: 1-9-04

(Filing No. S-358)

INSURANCE AND FINANCIAL SERVICES

Reported by: *Minority*

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**STATE OF MAINE
SENATE
121ST LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 359, L.D. 1087, Bill, "An Act To Require All Health Insurers To Cover the Costs of Hearing Aids"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. 24 MRSA §2317-B, sub-§12-B is enacted to read:

12-B. Title 24-A, sections 2761, 2847-L and 4252. Coverage for hearing aids, Title 24-A, sections 2761, 2847-L and 4252;

Sec. 2. 24-A MRSA §2761 is enacted to read:

§2761. Coverage for hearing aids

1. Required coverage. All individual health policies and contracts must provide coverage for the purchase of a hearing aid for each ear from an audiologist licensed pursuant to Title 32, chapter 77 or a hearing aid dealer licensed pursuant to Title 32, chapter 23-A for a person 21 years of age or under whose hearing loss has been documented by a physician or licensed audiologist. For purposes of this section, "hearing aid" means any nonexperimental, wearable instrument or device designed for the ear and offered for the purpose of aiding or compensating for impaired human hearing, excluding batteries and cords and other assistive listening devices, including, but not limited to, frequency modulation systems.

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2. Limits; coinsurance; deductibles. Any policy or contract that provides coverage for services under this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 3. 24-A MRSA §2847-L is enacted to read:

§2847-L. Coverage for hearing aids

1. Required coverage. All group insurance policies, contracts and certificates must provide coverage for the purchase of a hearing aid for each ear from an audiologist licensed pursuant to Title 32, chapter 77 or a hearing aid dealer licensed pursuant to Title 32, chapter 23-A for a person 21 years of age or under whose hearing loss has been documented by a physician or licensed audiologist. For purposes of this section, "hearing aid" means any nonexperimental, wearable instrument or device designed for the ear and offered for the purpose of aiding or compensating for impaired human hearing, excluding batteries and cords and other assistive listening devices, including, but not limited to, frequency modulation systems.

2. Limits; coinsurance; deductibles. Any policy, contract or certificate that provides coverage for services under this section may contain provisions for maximum benefits and coinsurance and reasonable limitations, deductibles and exclusions to the extent that these provisions are not inconsistent with the requirements of this section.

Sec. 4. 24-A MRSA §4252 is enacted to read:

§4252. Coverage for hearing aids

1. Required coverage. All health maintenance organization individual and group health policies, contracts and certificates must provide coverage for the purchase of a hearing aid for each ear from an audiologist licensed pursuant to Title 32, chapter 77 or a hearing aid dealer licensed pursuant to Title 32, chapter 23-A for a person 21 years of age or under whose hearing loss has been documented by a physician or licensed audiologist. For purposes of this section, "hearing aid" means any nonexperimental, wearable instrument or device designed for the ear and offered for the purpose of aiding or compensating for impaired human hearing, excluding batteries and cords and other assistive listening devices, including, but not limited to, frequency modulation systems.

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2 2. Limits; coinsurance; deductibles. Any policy, contract
or certificate that provides coverage for services under this
4 section may contain provisions for maximum benefits and
coinsurance and reasonable limitations, deductibles and
6 exclusions to the extent that these provisions are not
inconsistent with the requirements of this section.

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10 **Sec. 5. Expenditures in excess of allocations.** Expenditures
required by this Act of funds from other than the General Fund,
Highway Fund and Fund for a Healthy Maine are authorized to
12 exceed legislative allocations during the 2004-2005 biennium
ending June 30, 2005. Appropriate adjustments to basic work
14 programs facilitating these expenditures in excess of allocations
must be recommended by the State Budget Officer and approved by
16 the Governor.

18 **Sec. 6. Appropriations and allocations.** The following
appropriations and allocations are made.

20 **ADMINISTRATIVE AND FINANCIAL**
22 **SERVICES, DEPARTMENT OF**

24 **Salary Plan**

26 Initiative: Appropriates and allocates funds for the additional
costs of health insurance to the State resulting from the
28 requirement to provide coverage for hearing aids for persons 21
years of age and under.

30	General Fund	2003-04	2004-05
32	Personal Services	\$0	\$57,168
34	General Fund Total	<hr/>	<hr/>
36		\$0	\$57,168

38	Highway Fund	2003-04	2004-05
40	Personal Services	\$0	\$22,508
42	Highway Fund Total	<hr/>	<hr/>
44		\$0	\$22,508

44	Fund for a Healthy Maine	2003-04	2004-05
46	Personal Services	\$0	\$177
48	Fund for a Healthy Maine Total	<hr/>	<hr/>
50		\$0	\$177

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COMMITTEE AMENDMENT "A" to S.P. 359, L.D. 1087

ADMINISTRATIVE AND FINANCIAL SERVICES

2	DEPARTMENT TOTALS	2003-04	2004-05
4	General Fund	\$0	\$57,168
	Highway Fund	0	22,508
6	Fund For a Healthy Maine	0	177
8	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$79,853

10 **Sec. 7. Application.** The requirements of this Act apply to
 12 all policies, contracts and certificates executed, delivered,
 14 issued for delivery, continued or renewed in this State on or
 after January 1, 2005. For purposes of this Act, all contracts
 are deemed to be renewed no later than the next yearly
 anniversary of the contract date.'

SUMMARY

20 This amendment is the minority report and replaces the bill.
 22 It requires health insurance policies, contracts and certificates
 to provide coverage for hearing aids for persons 21 years of age
 24 and under. The provisions apply to all policies, contracts and
 certificates issued or renewed on or after January 1, 2005.

FISCAL NOTE REQUIRED
 (See attached)

COMMITTEE AMENDMENT



**121st Maine Legislature
Office of Fiscal and Program Review**

LD 1087

An Act To Require All Health Insurers To Cover the Costs of Hearing Aids

LR 0989(02)

Fiscal Note for Bill as Amended by Committee Amendment A 9358

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

Minority Report

Fiscal Note

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
Net Cost (Savings)				
General Fund	\$0	\$57,168	\$256,113	\$286,847
Highway Fund	\$0	\$22,508	\$100,835	\$112,935
Fund for a Healthy Maine	\$0	\$177	\$794	\$889
Appropriations/Allocations				
General Fund	\$0	\$57,168	\$256,113	\$286,847
Highway Fund	\$0	\$22,508	\$100,835	\$112,935
Fund for a Healthy Maine	\$0	\$177	\$794	\$889

Fiscal Detail and Notes

These estimates assume that adding hearing aid coverage to persons age 21 and under will increase premium costs by 0.4% for the state employee health plan effective with the contract beginning April 1, 2005. The additional employer costs across all funds to the state employee health insurance program will be \$124,839 in fiscal year 2004-05, \$559,281 in fiscal year 2005-06 and \$626,395 in fiscal year 2006-07.

General Fund appropriations of \$57,168, Highway Fund allocations of \$22,508 and Fund for a Healthy Maine allocations of \$177 in fiscal year 2004-05 are required to be set aside in the salary plan reserve accounts to fund the increases for General Fund, Highway Fund and Fund for a Healthy Maine employees. The costs for employees paid by other funds, estimated to be \$44,986, may require increased allotments to meet these additional personal services expenditures.

Any additional costs to the Department of Professional and Financial Regulation in implementing this legislation can be absorbed by the Department within existing resources. This fiscal note does not reflect the additional costs to the private insurance market as a result of this legislation.