

# MAINE STATE LEGISLATURE

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L.D. 1087

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INSURANCE AND FINANCIAL SERVICES

Reported by:

REPORT A

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STATE OF MAINE  
SENATE  
121ST LEGISLATURE  
SECOND SPECIAL SESSION

COMMITTEE AMENDMENT "B" 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. Hearing aid; definition. 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. Required coverage. All individual health policies and contracts must provide coverage for the purchase of a hearing aid for each ear for an individual covered under the policy who is 18 years of age or under in accordance with the following requirements.

A. The hearing loss must be documented by a physician or audiologist licensed pursuant to Title 32, chapter 77.

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- 2       B. The hearing aid must be purchased from an audiologist  
4       licensed pursuant to Title 32, chapter 77 or a hearing aid  
6       dealer licensed pursuant to Title 32, chapter 23-A.
- 8       C. The policy, contract or certificate may limit coverage to  
10       \$1,400 per hearing aid for each hearing-impaired ear every  
12       36 months.
- 14       D. An individual may choose a hearing aid that is priced  
16       higher than the coverage required under this section and may  
18       pay the difference between the price of the hearing aid and  
20       the maximum payment available under this section.

22       3. Limits; coinsurance; deductibles. Except as otherwise  
24       provided in this section, any policy, contract or certificate  
26       that provides coverage for services under this section may  
28       contain provisions for maximum benefits and coinsurance and  
30       reasonable limitations, deductibles and exclusions to the extent  
32       that these provisions are not inconsistent with the requirements  
34       of this section.

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

38       §2847-L. Coverage for hearing aids

40       1. Hearing aid; definition. For purposes of this section,  
42       "hearing aid" means any nonexperimental, wearable instrument or  
44       device designed for the ear and offered for the purpose of aiding  
46       or compensating for impaired human hearing, excluding batteries  
48       and cords and other assistive listening devices, including, but  
      not limited to, frequency modulation systems.

2. Required coverage. All group insurance policies,  
      contracts and certificates must provide coverage for the purchase  
      of a hearing aid for each ear for an individual covered under the  
      policy, contract or certificate who is 18 years of age or under  
      in accordance with the following requirements.

A. The hearing loss must be documented by a physician or  
      audiologist licensed pursuant to Title 32, chapter 77.

B. The hearing aid must be purchased from an audiologist  
      licensed pursuant to Title 32, chapter 77 or a hearing aid  
      dealer licensed pursuant to Title 32, chapter 23-A.

C. The policy, contract or certificate may limit coverage  
      to \$1,400 per hearing aid for each hearing-impaired ear  
      every 36 months.

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2        D. An individual may choose a hearing aid that is priced  
3        higher than the coverage required under this section and may  
4        pay the difference between the price of the hearing aid and  
5        the maximum payment available under this section.

6        **3. Limits; coinsurance; deductibles.** Except as otherwise  
7        provided in this section, any policy, contract or certificate  
8        that provides coverage for services under this section may  
9        contain provisions for maximum benefits and coinsurance and  
10       reasonable limitations, deductibles and exclusions to the extent  
11       that these provisions are not inconsistent with the requirements  
12       of this section.

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

16        **§4252. Coverage for hearing aids**

18        **1. Hearing aid; definition.** For purposes of this section,  
19        "hearing aid" means any nonexperimental, wearable instrument or  
20        device designed for the ear and offered for the purpose of aiding  
21        or compensating for impaired human hearing, excluding batteries  
22        and cords and other assistive listening devices, including, but  
23        not limited to, frequency modulation systems.

24        **2. Required coverage.** All health maintenance organization  
25        individual and group contracts and certificates must provide  
26        coverage for the purchase of a hearing aid for each ear for an  
27        individual covered under the policy, contract or certificate who  
28        is 18 years of age or under in accordance with the following  
29        requirements.

30        **A.** The hearing loss must be documented by a physician or  
31        audiologist licensed pursuant to Title 32, chapter 77.

32        **B.** The hearing aid must be purchased from an audiologist  
33        licensed pursuant to Title 32, chapter 77 or a hearing aid  
34        dealer licensed pursuant to Title 32, chapter 23-A.

35        **C.** The policy, contract or certificate may limit coverage  
36        to \$1,400 per hearing aid for each hearing-impaired ear  
37        every 36 months.

38        **D.** An individual may choose a hearing aid that is priced  
39        higher than the coverage required under this section and may  
40        pay the difference between the price of the hearing aid and  
41        the maximum payment available under this section.

42        **3. Limits; coinsurance; deductibles.** Except as otherwise  
43        provided in this section, any policy, contract or certificate  
44        that provides coverage for services under this section may  
45        contain provisions for maximum benefits and coinsurance and  
46        reasonable limitations, deductibles and exclusions to the extent  
47        that these provisions are not inconsistent with the requirements  
48        of this section.

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2 contain provisions for maximum benefits and coinsurance and  
3 reasonable limitations, deductibles and exclusions to the extent  
4 that these provisions are not inconsistent with the requirements  
5 of this section.

6 **Sec. 5. Applicability.** The requirements of this Act apply to  
7 all policies, contracts and certificates executed, delivered,  
8 issued for delivery, continued or renewed in this State on or  
9 after January 1, 2005. For purposes of this Act, all contracts  
10 are deemed to be renewed no later than the next yearly  
11 anniversary of the contract date.'

12 **Sec. 6. Expenditures in excess of allocations.** Expenditures of  
13 funds required by this Act other than the General Fund and  
14 Highway Fund are authorized to exceed legislative allocations  
15 during the fiscal year ending June 30, 2005. Appropriate  
16 adjustments to basic work programs facilitating these  
17 expenditures in excess of allocations must be recommended by the  
18 State Budget Officer and approved by the Governor.

19 **Sec. 7. Appropriations and allocations.** The following  
20 appropriations and allocations are made.

21 **ADMINISTRATIVE AND FINANCIAL SERVICES, DEPARTMENT OF**

22 **Salary Plan**

23 Initiative: Appropriates and allocates funds for the additional  
24 costs of health insurance to the State resulting from the  
25 requirement to provide coverage for hearing aids for persons age  
26 18 and under.

27	<b>General Fund</b>	<b>2003-04</b>	<b>2004-05</b>
28	Personal Services	\$0	\$7,146
29		<hr/>	<hr/>
30	General Fund Total	\$0	\$7,146
31			
32	<b>Highway Fund</b>	<b>2003-04</b>	<b>2004-05</b>
33	Personal Services	\$0	\$2,813
34		<hr/>	<hr/>
35	Highway Fund Total	\$0	\$2,813

36 **SUMMARY**

37 This amendment replaces the bill and is the majority report  
38 of the committee. It requires health insurance policies,  
39 contracts and certificates to provide coverage for hearing aids  
40 for persons 18 years of age and under. The amendment allows  
41 insurance policies to limit coverage to \$1,400 per hearing aid

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every 36 months. The provisions apply to all policies, contracts  
and certificates issued or renewed on or after January 1, 2005.

The amendment adds language authorizing additional  
expenditures if costs of providing coverage of hearing aids to  
state employees and their dependents exceed legislative  
allocations.

The amendment also adds an appropriations section for  
additional General Fund and Highway Fund amounts needed to cover  
additional costs for the state employee health insurance program.

**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(03)**

**Fiscal Note for Bill as Amended by Committee Amendment**

**Committee: Insurance and Financial Services**

**Fiscal Note Required: Yes**

**Majority Report**

**B**

**Fiscal Note**

	2003-04	2004-05	Projections 2005-06	Projections 2006-07
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$7,146	\$32,014	\$35,856
Highway Fund	\$0	\$2,813	\$12,604	\$14,117
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$7,146	\$32,014	\$35,856
Highway Fund	\$0	\$2,813	\$12,604	\$14,117

**Fiscal Detail and Notes**

Adding hearing aid coverage to persons age 18 and under with a limit of \$1,400 per hearing aid for each hearing-impaired ear every 36 months will increase premium costs by 0.05% 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 \$15,605 in fiscal year 2004-05, \$69,910 in fiscal year 2005-06 and \$78,299 in fiscal year 2006-07.

General Fund appropriations of \$7,146 and Highway Fund allocations of \$2,813 in fiscal year 2004-05 are included in the bill for the salary plan reserve accounts to fund the increases for General Fund and Highway Fund employees. The costs for employees paid by other funds, including a small amount for the Fund for a Healthy Maine, is estimated to be \$5,646 and may require increased allotments as recommended by the State Budget Officer and approved by the Governor.

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.