

# MAINE STATE LEGISLATURE

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Date: 06-11-07

(Filing No. S-265)

**INSURANCE AND FINANCIAL SERVICES**

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**STATE OF MAINE  
SENATE  
123RD LEGISLATURE  
FIRST REGULAR SESSION  
Majority**

COMMITTEE AMENDMENT "A" to S.P. 537, L.D. 1514, Bill, "An Act To Require Health Insurance Coverage for Hearing Aids"

Amend the bill by striking out all of sections 2, 3 and 4 and inserting the following:

Sec. 2. 24-A MRS §2762 is enacted to read:

**§2762. Coverage for hearing aids**

**1. Hearing aid; definition.** For purposes of this section, "hearing aid" means a 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 hearing-impaired ear for an individual covered under the policy or contract 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 or contract may limit coverage to \$1,400 per hearing aid for each hearing-impaired ear every 36 months.**

**3. Limits; coinsurance; deductibles.** Except as otherwise provided in this section, 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.

**COMMITTEE AMENDMENT**

12 of 8

1       **Sec. 3. 24-A MRSA §2847-M** is enacted to read:

2       **§2847-M. Coverage for hearing aids**

3       **1. Hearing aid; definition.** For purposes of this section, "hearing aid" means a  
4 nonexperimental, wearable instrument or device designed for the ear and offered for the  
5 purpose of aiding or compensating for impaired human hearing, excluding batteries and  
6 cords and other assistive listening devices, including, but not limited to, frequency  
7 modulation systems.

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

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

14       B. The hearing aid must be purchased from an audiologist licensed pursuant to Title  
15 32, chapter 77 or a hearing aid dealer licensed pursuant to Title 32, chapter 23-A.

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

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

23       **Sec. 4. 24-A MRSA §4253** is enacted to read:

24       **§4253. Coverage for hearing aids**

25       **1. Hearing aid; definition.** For purposes of this section, "hearing aid" means a  
26 nonexperimental, wearable instrument or device designed for the ear and offered for the  
27 purpose of aiding or compensating for impaired human hearing, excluding batteries and  
28 cords and other assistive listening devices, including, but not limited to, frequency  
29 modulation systems.

30       **2. Required coverage.** All health maintenance organization individual and group  
31 health insurance contracts must provide coverage for the purchase of a hearing aid for  
32 each hearing-impaired ear for an individual covered under the policy, contract or  
33 certificate who is 18 years of age or under in accordance with the following requirements.

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

36       B. The hearing aid must be purchased from an audiologist licensed pursuant to Title  
37 32, chapter 77 or a hearing aid dealer licensed pursuant to Title 32, chapter 23-A.

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

2008

1 3. Limits; coinsurance; deductibles. Except as otherwise provided in this section,  
2 any contract that provides coverage for services under this section may contain provisions  
3 for maximum benefits and coinsurance and reasonable limitations, deductibles and  
4 exclusions to the extent that these provisions are not inconsistent with the requirements of  
5 this section.

6 Amend the bill by inserting after section 5 the following:

7 'Sec. 6. **Exemption from review.** Notwithstanding the Maine Revised Statutes,  
8 Title 24-A, section 2752, this Act is enacted without review and evaluation by the  
9 Department of Professional and Financial Regulation, Bureau of Insurance.

10 **Sec. 7. Appropriations and allocations.** The following appropriations and  
11 allocations are made.

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

13 **Salary Plan 0305**

14 Initiative: Appropriates and allocates funds for the additional costs of health insurance to  
15 the State resulting from the requirement to provide coverage for hearing aids for persons  
16 18 years of age or under and limits coverage to \$1,400 per hearing aid every 36 months.

17	<b>GENERAL FUND</b>	<b>2007-08</b>	<b>2008-09</b>
18	Personal Services	\$0	\$54,000
19			
20	<b>GENERAL FUND TOTAL</b>	<hr/> \$0	<hr/> \$54,000

21	<b>HIGHWAY FUND</b>	<b>2007-08</b>	<b>2008-09</b>
22	Personal Services	\$0	\$21,000
23			
24	<b>HIGHWAY FUND TOTAL</b>	<hr/> \$0	<hr/> \$21,000

26 **SUMMARY**

27 This amendment requires health insurance policies, contracts and certificates to  
28 provide coverage for hearing aids for persons 18 years of age and under. The amendment  
29 allows insurance policies to limit coverage to \$1,400 per hearing aid every 36 months.  
30 The bill would have required coverage for hearing aids for persons under 21 years of age  
31 without limits on the amount of coverage.

32 The amendment also adds an appropriations and allocations section to the bill.

33 **FISCAL NOTE REQUIRED**  
34 (See attached)



# 123rd MAINE LEGISLATURE

LD 1514

LR 205(02)

## An Act To Require Health Insurance Coverage for Hearing Aids

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Insurance and Financial Services

Fiscal Note Required: Yes

### Fiscal Note

	2007-08	2008-09	Projections 2009-10	Projections 2010-11
<b>Net Cost (Savings)</b>				
General Fund	\$0	\$54,000	\$56,000	\$59,000
Highway Fund	\$0	\$21,000	\$22,000	\$23,000
<b>Appropriations/Allocations</b>				
General Fund	\$0	\$54,000	\$56,000	\$59,000
Highway Fund	\$0	\$21,000	\$22,000	\$23,000

### 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 effective with the contract year beginning July 1, 2008. The additional employer costs across all funds to the state employee health insurance program is estimated to be approximately \$131,000 for fiscal year 2008-09.

A General Fund appropriation of \$54,000 and a Highway Fund allocation of \$21,000 are included for the salary plan reserve accounts to fund 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, may require increased allotments as recommended by the State Budget Officer and approved by the Governor.

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