An act to add and repeal Section 1367.72 of the Health and Safety Code, and to add and repeal Section 10123.72 of the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL’S DIGEST

AB 1601, as introduced, Bloom. Hearing aids: minors.
Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Department of Insurance. Existing law requires health care service plan contracts and health insurance policies to provide coverage for specified benefits.

This bill, until January 1, 2020, would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2018, to include coverage for hearing aids for an enrollee or insured under 18 years of age, as specified. These provisions would become inoperative if the Department of Managed Health Care and the Department of Insurance receive a notification from the federal Centers for Medicare and Medicaid Services or any other applicable federal agency that these provisions constitute a discriminatory age limitation under federal law and the state is required to defray the costs of requiring a plan contract or policy to include coverage for hearing aids on behalf of enrollees or insureds who are 18 years of age or older pursuant to a specified federal law. Because a willful violation of these
requirements by a health care service plan would be a crime, this bill
would impose a state-mandated local program.

The California Constitution requires the state to reimburse local
agencies and school districts for certain costs mandated by the state.
Statutory provisions establish procedures for making that reimbursement.
This bill would provide that no reimbursement is required by this act
for a specified reason.


The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to explore
2 alternate approaches to ensure the continuation of broad coverage
3 of pediatric hearing benefits upon expiration of this mandate,
4 including exploring ways to add pediatric hearing as an essential
5 health benefit, without incurring ongoing state costs.
6 SEC. 2. Section 1367.72 is added to the Health and Safety
7 Code, to read:
8 1367.72. (a) (1) A health care service plan contract issued,
9 amended, or renewed on or after January 1, 2018, shall include
10 coverage for hearing aids for all enrollees under 18 years of age
11 when medically necessary.
12 (2) Coverage for hearing aids includes an initial assessment,
13 new hearing aids at least every five years, new ear molds, new
14 hearing aids if alterations to existing hearing aids cannot meet the
15 needs of the child, a new hearing aid if the existing one is no longer
16 working, fittings, adjustments, auditory training, and maintenance
17 of the hearing aids.
18 (b) For purposes of this section, “hearing aid” means an
19 electronic device usually worn in or behind the ear of a deaf and
20 hard of hearing person for the purpose of amplifying sound.
21 (c) This section shall not apply to Medicare supplement,
22 dental-only, or vision-only health care service plan contracts.
23 (d) (1) This section shall become inoperative if the department
24 receives a notification from the federal Centers for Medicare and
25 Medicaid Services or any other applicable federal agency that this
26 section constitutes a discriminatory age limitation under federal
27 law and the state is required to defray the costs of requiring a plan
28 contract to include coverage for hearing aids on behalf of enrollees
who are 18 years of age or older pursuant to Section 1311 of the
Patient Protection and Affordable Care Act (42 U.S.C. Sec.
18031(d)(3)).

(2) This section shall become inoperable 30 days after the
director executes a declaration, which shall be retained by the
director, stating that the department received the notification
described in paragraph (1). The director shall post the declaration
on the department’s Internet Web site, and the director shall send
the declaration to the appropriate policy committees of the
Legislature and to the Legislative Counsel.

(e) This section shall remain in effect only until January 1, 2020,
and as of that date is repealed.

SEC. 3. Section 10123.72 is added to the Insurance Code, to
read:

10123.72. (a) (1) A health insurance policy issued, amended,
or renewed on or after January 1, 2018, shall include coverage for
hearing aids for all insureds under 18 years of age when medically
necessary.

(2) Coverage for hearing aids includes an initial assessment,
new hearing aids at least every five years, new ear molds, new
hearing aids if alterations to existing hearing aids cannot meet the
needs of the child, a new hearing aid if the existing one is no longer
working, fittings, adjustments, auditory training, and maintenance
of the hearing aids.

(b) For purposes of this section, “hearing aid” means an
electronic device usually worn in or behind the ear of a deaf and
hard of hearing person for the purpose of amplifying sound.

(c) This section shall not apply to accident-only, specified
disease, hospital indemnity, Medicare supplement, dental-only, or
vision-only health insurance policies.

(d) (1) This section shall become inoperative if the department
receives a notification from the federal Centers for Medicare and
Medicaid Services or any other applicable federal agency that this
section constitutes a discriminatory age limitation under federal
law and the state is required to defray the costs of requiring a health
insurance policy to include coverage for hearing aids on behalf of
insureds who are 18 years of age or older pursuant to Section 1311
of the Patient Protection and Affordable Care Act (42 U.S.C. Sec.
18031(d)(3)).
This section shall become inoperative 30 days after the commissioner executes a declaration, which shall be retained by the commissioner, stating that the department received the notification described in paragraph (1). The commissioner shall post the declaration on the department’s Internet Web site, and the commissioner shall send the declaration to the appropriate policy committees of the Legislature and to the Legislative Counsel.

(e) This section shall remain in effect only until January 1, 2020, and as of that date is repealed.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.