

ASSEMBLY BILL

No. 598

**Introduced by Assembly Member Bloom
(Coauthors: Assembly Members Gallagher and Mullin)**

February 14, 2019

An act to add Section 1367.72 to the Health and Safety Code, and to add Section 10123.72 to the Insurance Code, relating to healthcare coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 598, 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 would require a health care service plan contract or a health insurance policy issued, amended, or renewed on or after January 1, 2020, to include coverage for hearing aids, as defined, for an enrollee or insured under 18 years of age, as specified. 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.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) In the United States, approximately 3.5 percent of
3 adolescents 12 to 19 years of age are deaf or hard of hearing. This
4 includes those who were born deaf or hard of hearing as well as
5 those who later acquired that hearing status.

6 (b) Studies have shown that early diagnosis of a child’s hearing
7 status and quick intervention is critical to developing language
8 and improving speech outcomes. Research supported by the
9 National Institutes of Health identify the first three years of life as
10 the most intensive period of speech and language development in
11 children.

12 (c) Studies have shown that the earlier a deaf or hard of hearing
13 child has access to interventions, the better the child’s spoken
14 language outcomes are.

15 (d) In 2006, California passed Assembly Bill 2651,
16 implementing a comprehensive newborn hearing screening program
17 to identify the hearing status of newborns and guide parents to
18 appropriate services. The program’s stated goal is to identify
19 hearing status in infants before three months of age and
20 subsequently link those events to intervention services by six
21 months of age.

22 (e) The National Institutes of Health, Centers for Disease Control
23 and Prevention, and American Academy of Pediatrics all stress
24 that newborns should have their hearing status identified by age
25 one month, diagnosed by three months, and should receive early
26 interventions by six months of age.

27 (f) California, however, does not require insurance companies
28 to cover hearing aids, making an important intervention financially
29 inaccessible or burdensome to many parents.

30 (g) Hearing aids provide a significant financial burden to many
31 California families. A 2013 survey found cost to be the most
32 significant challenge to obtaining timely hearing aid fittings, with
33 30 percent of parents reporting problems paying for hearing aids
34 and 17 percent reporting problems with paying for ear molds.

1 (h) Hearing aids are expensive, costing on average between
2 \$1,500 and \$4,000 per ear, and up to \$6,000 in many cases.
3 Additionally, these devices have to be replaced frequently to
4 accommodate a child’s growth. Families also incur additional costs
5 from hearing aid services, including fittings and repairs.

6 (i) Fewer than one in 10 Californian children on privately funded
7 plans have coverage for pediatric hearing aids and hearing aid
8 services. As a result, thousands of families are forced to pay the
9 steep costs for these devices out of pocket or forego hearing aids
10 for their children.

11 (j) It is the intent of the Legislature to ensure that deaf and hard
12 of hearing children have a continuous pathway from screening to
13 diagnosis to intervention. The lack of insurance coverage remains
14 a significant obstacle to that pathway and must be addressed.

15 SEC. 2. Section 1367.72 is added to the Health and Safety
16 Code, to read:

17 1367.72. (a) (1) A health care service plan contract issued,
18 amended, or renewed on or after January 1, 2020, shall include
19 coverage for hearing aids for all enrollees under 18 years of age
20 when medically necessary.

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

27 (b) For purposes of this section, “hearing aid” means an
28 electronic device designed to aid or compensate for impaired
29 human hearing and any parts, attachments, or accessories, including
30 earmolds, but excluding batteries and cords. This includes both
31 hearing aids traditionally worn behind the ear and auditory
32 osseointegrated devices, whether implanted or worn externally.

33 (c) This section shall not apply to Medicare supplement,
34 dental-only, or vision-only health care service plan contracts.

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

37 10123.72. (a) (1) A health insurance policy issued, amended,
38 or renewed on or after January 1, 2020, shall include coverage for
39 hearing aids for all insureds under 18 years of age when medically
40 necessary.

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

7 (b) For purposes of this section, “hearing aid” means an
8 electronic device designed to aid or compensate for impaired
9 human hearing and any parts, attachments, or accessories, including
10 earmolds, but excluding batteries and cords. This includes both
11 hearing aids traditionally worn behind the ear and auditory
12 osseointegrated devices, whether implanted or worn externally.

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

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