www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research and Drafting

Legislative Budget Office

H.B. 152
135th General Assembly

Fiscal Note & Local Impact Statement

Click here for H.B. 152's Bill Analysis

Version: As Passed by the House

Primary Sponsors: Reps. Weinstein and B. Young

Local Impact Statement Procedure Required: Yes

Ruhaiza Ridzwan, Senior Economist

Highlights

- Requiring that all health benefit plans provide coverage for (1) the cost, up to $2,500 per hearing aid[1] every 48 months for a covered person under 22 years of age and (2) all related services, would minimally increase costs to the state to provide health benefits to employees and their dependents.
- The requirement would increase costs to local governments to provide health benefits to employees and their dependents, by up to $1.3 million statewide in the first year for counties, municipalities, and townships, and by up to $1.7 million for school districts statewide in the first year. Any local government that already provides the required coverage would experience no cost increase. These estimates are rough, and actual costs could be lower or higher.
- After the initial year, the average annual costs would be roughly one-fourth of the amounts listed in the previous bullet because the bill requires the coverage only once in every 48 months.

[1] The bill defines a "hearing aid" as any wearable instrument or device designed or offered for the purpose of aiding or compensating for impaired human hearing, including all attachments, accessories, and parts thereof, except batteries and cords, that is dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist.

Detailed Analysis

The bill requires health benefit plans to provide coverage for the cost of both of the following: (1) one hearing aid per hearing-impaired ear up to $2,500[2] every 48 months for a covered person under 22 years of age who is verified as being deaf or hearing impaired by a licensed audiologist or by an otolaryngologist or other licensed physician, and (2) all related services prescribed by an otolaryngologist or recommended by a licensed audiologist and dispensed by a licensed audiologist, a licensed hearing aid dealer or fitter, or an otolaryngologist. The bill specifies that a health plan issuer is not required to pay a claim for the cost of a hearing aid if less than 48 months prior to the date of the claim, the covered person received the required coverage from any health benefit plan.

Under current law, no mandated health benefits legislation enacted by the General Assembly may be applied to sickness and accident or other health benefits policies, contracts, plans, or other arrangements until the Superintendent of Insurance determines that the provision can be applied fully and equally in all respects to employee benefit plans subject to regulation by the federal Employee Retirement Income Security Act of 1974 (ERISA) and employee benefit plans established or modified by the state or any political subdivision of the state. The bill includes a provision that exempts its requirements from this restriction.

The required coverage applies to all health benefit plans, as defined in section 3922.01 of the Revised Code, and includes a nonfederal government health plan delivered, issued for delivery, modified, or renewed on or after the bill's effective date.

Fiscal effect

According to a Department of Administrative Services (DAS) official, the state's health benefit plans are currently providing more generous coverage for hearing aids than is required under the bill. The official also indicated that if there is any additional cost to the state's plan, it would be minimal. The state's health benefit plan is more generous in the sense that the state plan does not limit the coverage to the first $2,500 of the cost of a hearing aid, and the benefit is available to a covered individual every year rather than once every 48 months. But the state's plan does require copayments that appear not to be permitted under the bill, so there would likely be some cost.[3] The costs of state employees' health benefits are paid out of the State Employee Health Benefit Fund (Fund 8080). Fund 8080 is funded by employer contributions derived from the GRF and various state funds and state employee payroll deductions.

On the other hand, the required coverage would increase costs to local governments to provide health benefits to employees and their dependents, though any political subdivision that

[2] The bill specifically allows a covered person to choose a higher priced hearing aid, so long as the person pays the difference in cost.

[3] Under the state's health benefit plans, hearing aid benefits for accident, congenital illness, or injury are covered at 80% after deductible for network providers and at 60% after deductible for non-network providers with no age limit or lifetime maximum, in each plan year. Hearing aid benefits for natural hearing loss are covered at 50% after deductible for both network and non-network providers, with a $1,000 lifetime maximum. In addition, hearing examinations are covered through age 21 at 100% for network providers, and at 60% after deductible and a $30 copay for non-network providers.

already complies with the bill's requirements would experience no cost increase. Based on the assumptions below, the estimated statewide costs to counties, municipalities, and townships would be up to $1.3 million in the first year; after the initial year, the average annual costs would be lower because the coverage is not required every year, ranging up to $330,000. The estimated statewide costs to school districts would be up to $1.7 million in the first year; similarly, after the initial year, the average annual costs would range up to $430,000.

The number of individuals under 22 years of age and residing in Ohio who have been diagnosed with hearing loss, and therefore might require a hearing aid, is undetermined. Nationwide data and statistics from various sources, including from the Centers for Disease Control and Prevention (CDC) and National Institute on Deafness and Other Communication Disorders (NIDCD),[4] do not specifically present the prevalence of hearing loss for individuals under 22 years old, or the number of such individuals. However, according to data derived from the 2018-2022 American Community Survey (ACS) Public Use Microdata Sample (Ohio), prepared by the U.S. Census Bureau, there are approximately 18,578 individuals in Ohio who are under 22 years of age and have hearing difficulty; the estimated ACS number represents about 0.6% of Ohioans aged zero to 21 years.[5] Only some of these individuals would be covered by a health benefit plan provided by a government employer. In 2023, approximately 57.4% of Ohioans received their health insurance coverage through their employer, based on data from the 2023 ACS. In addition, based on Nonagricultural Wage and Salary Employment in Ohio, 2023, published by the U.S. Bureau of Labor Statistics (BLS), 1.4% of the Ohio nonfarm workforce was employed by state government (not including those employed by an educational institution), 4.0% were employed by local government (not including those employed by an educational institution or a local government hospital), and 5.1% were employed in local government education.

Assuming that 57.4% of the estimated 18,578 individuals with hearing difficulty receive coverage through an employer's health plan, that would imply that the number of individuals with such coverage is roughly 10,664. If these individuals are covered by governmental plans in proportion to the overall employment of Ohioans reported by BLS above, the number of such individuals that are covered by a state health plan is estimated to be about 148, the number that are covered by a health plan sponsored by a county, municipality, or township is estimated to be about 426, and the number covered by a school district-sponsored health plan is estimated to be about 548.

Based on an analysis by the California Health Benefits Review Program for Assembly Bill 598,[6] the overall prevalence rate for adolescents aged 12 to 19 with unilateral and bilateral hearing loss was 3.5%. The study also indicates that "Children may . . . require either one or two hearing aids . . . . Nationwide, hearing loss in one ear (unilateral) occurs in about 2.7% of adolescents aged 12 to 19 while hearing loss in both ears (bilateral) is less common at 0.8% of

---

[4] According to CDC Data and Statistics About Hearing loss in Children in the United States, the prevalence rate for children between three and 17 years of age is 0.6%, and the prevalence rate of babies is 1.8 per 1,000 babies screened.

[5] According to ACS data, the estimated number of Ohioans aged zero to 21 during that period was 3,232,412.

[6] Page 8 of *Analysis of California Assembly Bill 598 Hearing Aids: Minors*, a report to the 2019-2020 California State Legislature, April 4, 2019. A copy of the analysis is available here.

adolescents . . . ." Assuming the estimated 10,664 individuals above have the same proportions of unilateral and bilateral hearing loss as the analysis, about 8,211 of such individuals would require one hearing aid while the remaining 2,453 would require two hearing aids. Subject to the bill's $2,500 limit per hearing-impaired ear per 48 months, the estimated total costs to the state to provide the required coverage for these individuals would range up to $454,000 in the first year, but most of this cost is already covered under the state's existing plan. For local government employers, the statewide estimated costs would be up to roughly $1.3 million the first year for counties, municipalities, and townships, and up to roughly $1.7 million for school districts. In general, the costs of hearing aids range "from about $1,500 to more than a few thousand dollars each. Professional fees, remote controls, hearing aid accessories and other hearing aid options may cost extra."[7] Actual costs to public employers would likely be lower than these amounts if some of their plans already included the same hearing aids coverage as under the bill, but LBO cannot rule out that they would be higher. Actual costs would depend on the number of individuals covered by such public employers, the number of hearing aids required by each eligible person, and other costs related to hearing aid services.

The nature of costs for local governments depends on whether the particular entity is self-insured, in which case the entity would itself pay the claim (most likely by way of a contracting claims processor), or provides health benefits via an insurance policy. According to data derived from the 2024 Health Insurance Report,[8] published by the State Employment Relations Board, 442 or about 22% of public employees' health insurance plans are fully insured by outside health plan issuers; thus these plans would be subject to any increase in premiums to cover additional costs related to the bill's requirement.[9] The remaining 1,606 of public employees' health insurance plans (78%) are self-insured plans; so the majority of public employee benefit plans would pay the costs of medical claims directly.

The bill may increase the Department of Insurance's administrative costs related to regulation of insurers under its purview. Any such costs would be paid from the Department of Insurance Operating Fund (Fund 5540). The bill may also increase administrative costs for the Speech and Hearing Professionals Board to adopt professional standards related to permit compliance with the bill's provisions. Any increase in such cost would be paid from the Board's line item 123609, Operating Expenses.[10]

The bill's provisions do not apply to the state Medicaid Program and so there is no cost to the Medicaid Program. Under Ohio Administrative Code Rule 5160-10-11, Medicaid is currently required to provide coverage for a hearing aid if it is medically necessary.

FNHB0152PH-135/zg

---

[7] *Hearing aids: How to choose the right one*, posted on the Mayo Clinic's website.

[8] A copy of the report is available here.

[9] According to the American Speech-Language-Hearing Association (ASHA) website (visited May 9, 2023), 25 states require some type of hearing aids coverage. The bill's required hearing aids coverage is fairly similar to the required coverage in Massachusetts, North Carolina, and Georgia. Actuarial assessments of the bills enacting the coverage requirements in those states generally found that insurance premiums would increase by less than 0.01% due to their respective requirements. References to the studies are available upon request.

[10] The Board is funded by fees and does not receive any GRF funding.