



There has long been a consensus among consumers that hearing aids are too expensive. It's been said that the cost of hearing aids prohibits many who want to improve communication from being able to do so. While it cannot be said that price alone dictates whether a person will take the steps to purchase hearing aids,¹⁻² there is no doubt cost is a key factor.

Audiologists, Dr. Stephanie Sjoblad and Dr. Barbara Winslow Warren, hope to educate consumers on hearing care billing practices as well as the relationship between expert service and the success of hearing aid fitting. The University of North Carolina at Chapel Hill Hearing and Communication Center, where Drs. Sjoblad and Warren are employed, began the unbundling process in 2005 and has a billing model that has helped to lower the up-front cost of hearing aids and services.

B. Wildered is a hypothetical patient who wants to understand more about fees for hearing aids and audiological services.

B. Wildered: What is the difference between unbundling and bundling?

Let's first define the ways that hearing care services may be provided.

Unbundled—verb: to separate.³

Bundled—verb: to offer or supply (related products or services) in a single transaction at one all-inclusive price.⁴

In an unbundled model, the cost of the hearing aid(s) is separate from the cost of the services provided. In a traditional bundled model, the price includes the fees for the professional services for a specified period of time.

B. Wildered: How does this relate to hearing aids?

One of the first questions asked by consumers is "How much do hearing aids cost?" Many consumers believe they are paying only for hearing aids. If one looks at advertisements for hearing aids, the focus is most often on the benefits of the product. These

ads neglect the importance of the services provided by the professional which enable one to be a successful user of amplification.

A recent survey conducted by the American Academy of Audiology looked at billing practices among the membership. More than 1,500 members replied to the survey, which revealed 80 percent of audiologists utilize a bundled price structure in their clinics. Only 20 percent of the respondents offered unbundled billing to their patients.⁵ We believe it is important to differentiate the product from the expertise of the audiologist to help patients understand the services provided before, during, and after the hearing aid fitting process. An unbundled billing model allows the patient to see the price of the product as well as the fees for audiologic services.

sometimes the fees for appointments during the duration of the manufacturer's warranty of the hearing aids. We've even seen some providers offering free services for the lifetime of the hearing aids.

B. Wildered: Wow, free services in the bundled model! Is there a catch?

One must recognize that the consumer is paying for all services upfront in a bundled model. They are not getting free visits or parts. The cost associated with those visits is included in the purchase price of the hearing aids. A professional in a bundled clinic will average the number of visits needed for a specified time period and determine the fee which will cover the services and cost of doing business for the average patient. This fee is added to the price of the hearing aid and the total cost is presented to the consumer.

offers a service plan option, patients could elect to pay for a 'peace of mind package' which includes a certain number of visits over a specified time period. The upfront billing would reflect the terms of the purchase and the service plan would be added to the invoice as an additional purchase. The bottom line is the invoice shows clearly the fee for the hearing aids, the fee for services provided and the specified time frame for prepaid services.

B. Wildered: I like the idea of paying less upfront; but will it cost me more in the long run?

We have not found this to be the case especially when best practice guidelines are utilized in the hearing aid fitting process as outlined by Mark Ross, Ph.D., in a recent issue of *Hearing Loss Magazine*.⁶ In an unbundled model, the patient is

Unbundling: A Way to Make Hearing Aids More Affordable?

B. Wildered: That makes sense. So, when one goes to purchase hearing aids, it seems the first step is to get a hearing test. I've seen those are sometimes free.

Yes, the first step is a comprehensive hearing evaluation to determine the degree and type of hearing loss, and rule out medical pathology. There are three common methods for billing for hearing evaluations. Some audiologists may bill Medicare or insurance (if allowable), some clinics may bill the patient directly, and other providers offer free hearing tests.

In most cases, these free hearing tests are not actually free. The cost of providing that service is charged to patients in the hearing aid package. Additionally, the free hearing test may not be comprehensive. The bundled model often includes other services, such as, the hearing aid evaluation, the hearing aid fitting fees, the fees for follow-up appointments and

While there are many patients who may take comfort in knowing they can see their provider as needed at no additional charge, it is important to recognize that those 'free visits' are being paid for, upfront. Thus the upfront cost for buying hearing aids is generally higher at a clinic that bundles services than at a clinic providing an unbundled option.

B. Wildered: What happens in the unbundled model?

There could be several scenarios. Some providers may offer a completely unbundled 'a la carte' billing model. Other providers may unbundle and offer a 'service' plan option. In the 'a la carte' or pay-as-you-go option, the patient pays less upfront for the hearing aids and the services to fit the hearing aids. Subsequent appointments are fee-for-service, just like when one visits any other health care provider.

In an unbundled model which

charged only for the services they receive. Patients are not asked to subsidize services someone else may use.

At our unbundled clinic, the average patient is seen two to three times annually after the completion of their 'evaluation and adjustment period.' Many patients report that this model is appealing as the up-front investment is lower and the maintenance fees are manageable as they are distributed over time.

B. Wildered: What is the evaluation and adjustment period?

It's more commonly known as a 'trial' period. It is the time period during which the patient can return for follow-up visits and evaluate whether the hearing aids are meeting their goals and expectations. If the hearing aids are not meeting expectations, the patient can return the devices for a refund. In North Carolina, we are not required to refund

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our professional services. It would be important to know the dispensing laws for your state.

B. Wildered: Why are some hearing aids more expensive than others? A basic device that provides an increase in volume is different from a device that provides more sophisticated features, such as adaptive directional microphones, noise reduction, connectivity and automatic program changes. The manufacturers of hearing instruments spend millions of dollars annually on research and development (R&D) to improve hearing aid features and hopefully performance. Manufacturers set their prices based on their costs to develop the products. Think back to the simple equation from Economics 101 about supply and demand.

Presently the costs of the hearing aid manufacturers' R&D is divided by a small segment of the hearing loss population. Thirty-six million Americans could benefit from hearing instrument technology. However, hearing aid adoption rates are approximately one in four.⁷⁻⁸ If more people begin to purchase hearing aids, then the costs for R&D could be shared among more users and the costs of producing the product should be less expensive.

B. Wildered: So that explains the product costs...what about the services you mentioned?

Some places may suggest it is simple to program hearing aids; contrary to popular belief, hearing aids do not just work magically when they are removed from the box. The knowledge and skills of the audiologist or provider are paramount to a successful outcome. The American Academy of Audiology (the Academy) has published guidelines for best practice for the audiological management of both children and adults. It's backed by years of research.

The Academy recommends multiple steps in successful hearing aid fitting. These include but are not limited to the comprehensive evalua-

tion, a formative self-assessment to establish goals and expectations, quality assurance measures to ensure the hearing aids are functioning properly, verification with probe microphone measures and orientation, counseling and follow-up.⁹

We believe that it is misleading to the consumer to bundle all services into the cost of the hearing aid—it suggests these services are unnecessary. Consumers should be aware of the knowledge and expertise required to fit hearing aids according to best practice guidelines. An unbundled model provides a breakdown of the fees associated with these procedures.

“Wow, free services in the bundled model! Is there a catch?” ...While there are many patients who may take comfort in knowing they can see their provider as needed at no additional charge, it is important to recognize that those ‘free visits’ are being paid for, upfront. Thus the upfront cost for buying hearing aids is generally higher at a clinic that bundles services than at a clinic providing an unbundled option.

B. Wildered: If I go to a clinic like yours, where the unbundled model is utilized, how will I be billed?

In our unbundled model, the first step is the comprehensive hearing evaluation. The patient's insurance might cover this testing, if it's medically necessary. Otherwise, the patient is billed out of pocket for the evaluation. If the patient is a candidate for amplification with no medical contraindications, they return for a Functional Communication Assessment.¹⁰

During this appointment, several objective and subjective measures are completed which allow us to consider all facets of treatment. This appointment is fee-for-service, regardless of whether the patient purchases hearing aids. If earmold impressions are taken at this appointment, the patient pays for those services that day as well.

On the day of the hearing aid

fitting, we utilize the guidelines outlined by the Academy for the fitting of amplification. This includes real ear probe microphone measures to verify audibility for the patient while we are programming the hearing aids. We discuss care, use and realistic expectations. At the conclusion of this visit, the patient pays in full for the hearing aids and the fitting and professional fees.

The professional fees include the procedures to quality check the hearing aids, program the hearing aids, provide counseling to the patient and follow-up appointments within the evaluation period. (This period varies from state to state. In North Carolina, it is 45 days). The patient's bill is broken down to reflect the purchase of the hearing aids and the associated services.

B. Wildered: So, if I decide to keep the hearing aids, then what?

We recommend our patients return at six-month intervals for a hearing aid check, cleaning and small parts replacement. Once a year we also recommend an electroacoustic analysis to ensure the devices still function according to the manufacturer's specifications. Our patients return to the clinic as needed for program adjustments, troubleshooting and audiologic rehabilitation. Patients are billed for the services rendered at these appointments. Just like one's teeth require routine maintenance for good health, so does one's hearing.

B. Wildered: This is very helpful, what questions should I ask my audiologist or provider when it is time to purchase new hearing aids?

You may want to ask:

- Does your clinic offer an unbundled billing option?
- If yes, what fees can I expect at follow-up appointments?
- What services will I be receiving before, during and after the fitting?

You will encounter a variety of different billing structures when investigating the purchase of hearing aids. While we feel very confident that

unbundling provides a benefit to the consumer and the professional, our opinion is not shared by all providers.

Hearing aids alone will never cure hearing loss. The most important aspect in the acquisition of new hearing aids is the knowledge and expertise of the audiologist or provider. It is in your best interest as a consumer to find an experienced professional who utilizes the best practice guidelines established by the American Academy of Audiology. While cost will always be a consideration, we believe the audiologic care of a good provider is priceless. ■■■■

Stephanie Sjoblad, Au.D., is the clinical coordinator for the UNC Hearing and Communication Center.

She is an associate professor at the University of North Carolina at Chapel Hill, in the Division of Speech and Hearing Sciences. Dr. Sjoblad is a lifelong user of hearing instrument technology. She can be reached at ssjoblad@med.unc.edu.



Barbara Winslow Warren, Au.D., is an audiologist at the UNC Hearing and Communication Center. She is an assistant professor and the coordinator of clinical

education in the Division of Speech and Hearing Sciences at the University of North Carolina at Chapel Hill.

Editor's note: UNC has two clinics, the one that Drs. Sjoblad and Winslow Warren are with is the UNC Hearing and Communication Center—affiliated with the audiology training program. The other one is the UNC Hospitals clinic. At this time, only the UNC Hearing and Communication Center, of which Drs. Sjoblad and Winslow Warren are affiliated, offers unbundled hearing aid pricing.

Foonotes

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⁴ bundle. (n.d.). Dictionary.com Unabridged. Retrieved July 01, 2011, from Dictionary.com website: <http://dictionary.reference.com/browse/bundle>

⁵ Sjoblad, Stephanie and Warren, Barbara. "Unbundling: Second Verse Same as the First." *Audiology Now* 2011. Chicago. 8 April 2011.

⁶ Ross, Mark. The Hearing Healthcare Professional: The factors in determining the successful use of a hearing aid. *Hearing Loss Magazine* 2010; 31 (6): 30-32.

⁷ Kochkin, Sergi. MarkeTrak VIII: Consumer Satisfaction with Hearing Aids is Slowly Increasing. *Hearing Journal* 2010; 63(1): 19-32.

⁸ Kochkin, Sergi. MarkeTrak VIII: 25-year trends in the hearing health market. *Hearing Review* 2009; 16 (11): 12-31.

⁹ Valente, Michael, et al. 2006, *Guidelines for the Audiologic Management of Adult Hearing Impairment*, retrieved from <http://www.audiology.org/resources/documentlibrary/Documents/haguidelines>.

¹⁰ Sweetow, Robert. Instead of a hearing aid evaluation, let's assess functional communication ability. *Hearing Journal* 2007; 60 (9): 26-31.

Know Your Rights

Do you know what, if any, laws are in place to protect you when you purchase a hearing aid?

Do you know your rights as a hearing aid purchaser?

Rights afforded to purchasers of hearing aids depend upon the state where you live and make the purchase. This system has resulted in a patchwork of laws and regulations across the country.

By our count, only 30 states mandate a trial period during which you can decide if the hearing aid you purchased is the right one for you. In those states that require trial periods, you have the right to return the hearing aid and obtain a refund. The amount of the refund varies from state to state and, in a few cases, within the same state.

To help you, HLAA has compiled information delineating the rights afforded to individuals in every state in the United States. Go to www.hearingloss.org for more information. ■■■■



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