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POSITION PAPER

Medicare Coverage of Hearing Aids and Aural Rehabilitation

Synopsis: The Hearing Loss Association of America (HLAA) supports amending Title 18 of the Social Security Act¹ to include coverage of hearing examinations for the purposes of prescribing, fitting or changing hearing aids, coverage of the hearing instruments themselves and aural rehabilitation.

Medicare covers hearing evaluation only if a physician orders the tests, and the purpose of the test is largely diagnostic, that is, to select the type of medical or surgical treatment needed for a hearing loss or other medical issues. Medicare explicitly excludes “hearing aids or examinations for the purposes of prescribing, fitting, or changing hearing aids.” Because hearing aids are statutorily excluded under Medicare, any coverage for Medicare beneficiaries will require amending Title 18 of the Social Security Act.

Background

According to the National Institute on Deafness and Other Communication Disorders (NIDCD), National Institutes of Health, more than 36 million Americans report that they have hearing loss, 10 percent of the U.S. population.² A study by researchers at Johns Hopkins University School of Medicine, which based its statistics on audiometric testings, found that one in five Americans age 12 and over, approximately 48 million people in the U.S., has a hearing loss.³ It is also well documented that hearing loss adversely affects quality of life and is linked to other serious health conditions, including falls, depression, and cognitive decline. At the same time, access to hearing health care and the technology that could help people with hearing loss is hindered because consumers face multiple barriers. One such barrier is lack of screening in primary care settings. Reports indicate that hearing screening in primary care is uncommon, occurring only 17-30 percent of the time even in elderly individuals who are at risk for hearing loss.

Hearing loss can occur at any point in an individual’s life, from birth through old age. The majority of people with hearing loss are in the workforce.

¹Social Security Act, Title 18 [42 U.S.C. 1395y] Exclusions from Coverage and Medicare as a Secondary Payer, Section 1862 (a) 7, downloaded at http://www.ssa.gov/OP_Home/ssact/title18/1862.htm April 14, 2015

² National Institute on Deafness and Other Communication Disorders (NIDCD). National Strategic Research Plan: Hearing and Hearing Impairment. Bethesda, MD: HHS, NIH, 2010.

³ Lin, Frank.; Niparko, John.; Ferruci, Luigi. Hearing Loss Prevalence in the United States. Archives of Internal Medicine 171(20): 1851-2, 2011.



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According to the Ear Professionals International Corporation's (EPIC) "Listen Hear!" survey, more than 10 percent of full-time employees have a diagnosed hearing problem. Another 30 percent suspect they have a problem but have not sought treatment.⁴

According to the NIDCD, 18 percent of adults aged 45-64, 30 percent of adults aged 65-74, and 47 percent of adults 75 years or older, report hearing loss.⁵ According to AARP, hearing loss is the third most prevalent chronic health condition facing seniors. Over the next 15 years, 78 million people will move into the 60+ age bracket and the incidence of hearing loss will escalate well beyond the current rate.

Prevalence of hearing loss increases dramatically with age. National survey results show that in the population of those with hearing loss, only two percent were born with a hearing loss; 4-6 percent developed a hearing loss after birth and before six years; 11-12 percent developed hearing loss between ages 6 and 19 years; 50-64 percent developed hearing loss between ages 20-59 years; and 20-30 percent developed hearing loss at or after the age of 60.⁶

It is well documented that seniors are negatively impacted by hearing loss. Hearing loss adversely affects quality of life according to a 1998 study by the National Council on Aging (NCOA). The study, which surveyed 2,069 individuals with hearing loss and 1,710 of their family members, revealed that hearing aid users are likely to report better physical, emotional, mental and social well-being than those who do not use hearing aids.⁷ Conversely, those who do not take advantage of treatment and amplification are likely to place unnecessary additional cost on both private insurance and Medicare. Hearing loss also impacts an older adult's ability to remain in the workforce or engage in volunteer activities, which is a personal and societal loss.

According to AARP, more seniors are staying in the workforce longer or choosing to work part-time after retirement. In a 2014 career study on older workers (ages 45-74), of those who responded that they plan to work after retirement age 31 percent said they will continue

⁴ Address Hearing Loss in the Workplace and Reap the Rewards, BHI Urges Employers and Employees for National Employee Wellness Month, Washington, DC, June 2, 2014. <http://www.betterhearing.org/news/address-hearing-loss-workplace-and-reap-rewards>, downloaded March 31, 2015.

⁵ NIDCD Working Group on Accessible and Affordable Hearing Health Care for Adults with Mild to Moderate Hearing Loss. August 25-27, 2009, Bethesda, Maryland. <http://www.nidcd.nih.gov/funding/programs/09HHC/Pages/summary.aspx>, downloaded March 31, 2015.

⁶ "Age at Which Hearing Loss Begins." NIDCD Health Information. National Institutes of Health, 7 June 2010. Web. <<http://www.nidcd.nih.gov/health/statistics/Pages/begins.aspx>>

⁷ Kochkin PhD, Sergei & Rogin MA, Carole, Quantifying the Obvious: The Impact of Hearing Instruments on Quality of Life, *The Hearing Review*, p. 13.



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working because they enjoy it, while 30 percent said they will continue working because they need the money.⁸ Due to the aging workforce and rising retirement age, more people will experience the onset of hearing loss in the workplace and when seeking work as they age.

Numerous studies have also linked untreated hearing loss to other serious conditions which are significant issues for people, especially older Americans who rely on Medicare and who are more like to have hearing loss. It has been demonstrated that the symptoms of depression are reduced, and quality of life improved for people with hearing loss who use hearing aids.⁹ In addition, research has indicated that the incidence of dementia can be up to five times greater for with hearing loss.¹⁰ Untreated hearing loss is connected to a tripling of the risk for falling, which is of particular concern to older Americans.¹¹

Only about one-fourth of those who could benefit from a hearing aid actually use one.¹² According to NIDCD, access to hearing health care and the hearing technology that could help people with hearing loss is stymied because consumers face multiple barriers to access. It is a system with confusing and competing interests. This thwarts the ability of the individual to find the best and most affordable path to addressing their particular situation. Some of the barriers are:

- Multiple entry points include the family practitioner, audiologist, hearing aid specialist, otolaryngologist, Internet access, and magazine advertisement.
- Readily accessible, low-cost hearing screenings are not reliably available.
- The delivery model for hearing aids requires a multi-visit process, including visits to a physician and a person who fits hearing aids.
- Out of-pocket expenses for a pair of hearing aids range from \$4,000-\$6,000 in 2015.
- A U.S. hearing aid industry study of people who choose not to purchase hearing aids indicated that price was an obstacle for 64 percent of those most needing hearing health care; 66 percent said they were likely to get a hearing aid if 100 percent of the cost was covered by insurance.

⁸ AARP http://www.aarp.org/content/dam/aarp/research/surveys_statistics/general/2014/Staying-Ahead-of-the-Curve-2013-The-Work-and-Career-Study-AARP-res-gen.pdf

⁹ Boi, Raffaella.; Raca, Luca; et al. Hearing loss and depressive symptoms in elderly patients. *Geriatrics and Gerontology International* 12(3):440-445, 2012.

¹⁰ Lin, Frank. Hearing Loss in Older Adults: Who's Listening? *The Journal of the American Medical Association* 307(11): 1147-1148, 2012.

¹¹ Lin, Frank,; Ferrucci, Luigi. Hearing Loss and Falls Among Older Adults in the United States. *Archives of Internal Medicine*. 172(4): 369-371, 2012.

¹² Popelka, M.M.; Cruickshanks, K.J.; Wiley, T.L.; et al. Low prevalence of hearing aid use among older adults with hearing loss: The Epidemiology of Hearing Loss Study. *Journal of the American Geriatrics Society* 46(9):1075-1078, 1998.



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- In addition to lack of Medicare coverage, private insurance is limited at best, covering a one-time purchase or only a small portion of the cost, sometimes only for children, and many private health insurance plans do not cover hearing aids at all.
- Medicaid is state specific and usually focuses on only children.

Cost

In their article, *Hearing Aids: Why Medicare Should Provide Coverage*, Public Citizen Health Research Group points out that “Cost estimates include only estimated outlays for services, and do not take into account any benefits that might result from having a healthier, more functional population. A study comparing two groups of hearing loss groups, users vs. non-users of hearing aids, found that “while both treated and untreated hearing loss groups show deterioration in their income as their hearing loss worsens, the income decline is cut in half for hearing aid owners.”

The Better Hearing Institute estimated that untreated hearing loss cost the U.S. economy \$56 billion in lost productivity, special education, and medical care.¹³

The VHA Model

The Veterans Health Administration (VHA) has been at the forefront in the coverage of services to its constituents. The VHA is America’s largest integrated health care system with more than 1,700 sites of care, serving 8.76 million veterans each year.

According to a Public Citizen Health Research Group’s *Health Letter*, April, 2006, between 2000 and 2005, the number of people with hearing loss who said they had acquired their hearing aids from the VHA rose from 411,000 to 784,000, an increase of 90.8 percent. (p. 2)

“The VHA dispenses more than 160,000 hearing aids each year at a cost of more than \$50 million. Because it accounts for almost 15 percent of the U.S. hearing aid market, it can therefore exert considerable leverage over costs. The fact that the average hearing aid provided by the VHA costs the government \$313, in contrast with the average \$1,500 price tag for hearing aids on the market and the \$1,900 spent by the average consumer in 2004, reflects the VHA’s relative bargaining power. The VHA purchases all devices on the commercial market, negotiating contracts with manufacturers. All types of hearing aids are available through these sources. In addition, veterans are entitled to batteries, spare hearing aids, and a range of

¹³ Better Hearing Institute. (1999). *Facts About Hearing Disorders*. Available at betterhearing.org



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assistive devices, with no deductibles or copayments.”¹⁴

More research reveals the trend has not changed. According to a paper published in the *Journal of Rehabilitation Research & Development (JRRD)*¹⁵ for the first two quarters of 2009, the Hearing Industries Association (HIA) reported that the VHA dispensed 18 percent of all hearing aids sold in the United States. In addition to those hearing aids dispensed by the VHA, the federal purchasing contract is also used by other federal entities, such as the Department of Defense, Indian Health Service, Health and Human Services, and Bureau of Prisons, for procuring hearing aids. According to Dr. Earl Johnson’s article:

“The contract allows the purchase of commercially available hearing aids at an approximately 67 percent discount on manufacturer-suggested retail pricing. The contract currently operates on a one-year cycle, with four, one-year renewal options, for the possibility of a five-year cycle. The initial one-year cycle involves a lengthy application and evaluation process (~2.5 years) prior to and during consideration of hearing aid brands and product options for purchase. At any one time, the VHA contract for fiscal years 2004 to 2009 included six hearing aid brands and approximately 100 hearing aid product options. Product options are hearing aid choices based on style, group, and technology level, all of which are specified in the purchasing contract....The latest award contract, effective from fiscal years 2010 to 2014, pending one-year renewals, involves nine hearing aid brands and approximately 270 hearing aid product options. The five-year contract cycle's estimated value is >\$1.5 billion.”¹⁶

In short, when considering Medicare coverage for hearing aids, not only should the VHA model be considered, where cost is brought down by the purchasing power of the federal government, but the health care and societal advantages of citizens who are healthier, who have the ability to stay in the workplace or supplement their income longer, who face fewer falls and balance problems, and who are less depressed and isolated, should be factored into the equation.

HLAA has long supported financial aid to people who need access to hearing health care and hearing devices. We have provided advice to working adults seeking to encourage their

¹⁴ (Public Citizen Health Letter, p. 3) Public Citizen's Health Research Group Health Letter p. 2-1, April, 2006 http://www.citizen.org/documents/HL_200604.pdf

¹⁵ Johnson, Earl E, Aud, PhD, *Journal of Rehabilitation Research & Development (JRRD)* Volume 48 Number 7, 2011, Pages 865 — 880), “Determinants of Department of Veterans Affairs Hearing Aid Brand Dispensing by Individual Audiologists,” downloaded April 21, 2015 at

<http://www.rehab.research.va.gov/jour/11/487/johnson487.html>

¹⁶ Ibid.



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employers to provide coverage for hearing aids under the health insurance plan for their own company. We have supported the coalition working toward the Hearing Aid Tax Credit bill (H.R. 1882) in Congress. HLAA has supported federal health insurance coverage, as well as hearing aid coverage under the Affordable Care Act and Medicaid. HLAA has provided financial aid information on hearingloss.org and made that available via hard copy on request.

However, many people, with hearing loss and without, are amazed and distressed when they learn that Medicare does not cover the cost of hearing aids and that access to aural rehabilitation is not a covered service by an audiologist. Often we find that lawmakers themselves have no idea that hearing aids were specifically excluded from Medicare coverage. People who live on fixed incomes and depend on Medicare for their health needs must have access to the full range of hearing health care and devices.

Basic Requirements for Coverage

In drafting legislation, HLAA agrees with Public Citizen's analysis and support the following basic concepts to be included:

- **Elimination of the cost barrier.**
Better hearing is not only intrinsically valuable but also instrumental in achieving other societal and individual objectives. Surveys of persons with hearing loss who do not use hearing aids have found that 30 percent do not avail themselves of the device because of cost; point-of-service payments have therefore been shown to act as a deterrent and barrier to care.
- **Comprehensive coverage of services, from audiological testing to post-fitting adjustment, service, and aural rehabilitation.**
Many individuals who obtain hearing aids don't use or return them because they have not received the essential guidance that allows them to adapt to the technology. Unlike eyeglasses that most often correct vision, individuals wearing hearing aids must relearn how to listen and the brain needs to adapt to sounds not heard in a long time. The effective use of hearing aids is associated with the successful coordination of an array of services, including: audiological assessment to determine hearing loss and how best to address it; procurement of an appropriate hearing aid; initial instructions on how to use and maintain the hearing aid; fitting and adjustment of the hearing aid; periodic adjustments; and aural rehabilitation (AR), including counseling, speechreading, and auditory training.

Research indicates that practices offering aural rehabilitation tend to have higher rates



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of hearing aid satisfaction, along with fewer hearing aids returned for credit.¹⁷ Aural rehabilitation is an important aspect of treating a patient with hearing loss; however, it is often overlooked by the hearing health care provider, as much of the emphasis of treating individuals with hearing loss focuses on the technology of the device rather than rehabilitation.

- **Cost controls.**

As a major payer and significant player in the health arena, the Medicare program is well positioned to benefit from the economies of scale that accompany the mass purchasing of hearing aids. Its bargaining power has the potential to affect a significant segment of the market, and might have salutary spillover effects for consumers of hearing aids in general. Moreover, value-for-money should be a key criterion in any decision involving public dollars.

Excluding seniors from access to affordable hearing health care and devices is penny wise and pound foolish. Seniors with hearing loss need greater access to hearing aids and aural rehabilitation services. Medicare must provide hearing health care screening and evaluation services, hearing aids and hearing rehabilitation services for all who are entitled to Medicare services.

Therefore, the Hearing Loss Association of America supports amending Title 18 of the Social Security Act to include coverage of hearing examinations for the purposes of prescribing, fitting or changing hearing aids, coverage of the hearing instruments themselves and aural rehabilitation.

Adopted April 2015

¹⁷ Kochkin S. (1999) Reducing hearing instrument returns with consumer education. Hear Rev 6(10):18–20.