

Insurance

AB 16 – Health Insurance Coverage of Hearing Aids and Cochlear Implants

Rep. Cullen

Summary of Bill:

Assembly Bill (AB) 16 - This bill requires health insurance policies and plans to cover the cost of hearing aids, cochlear implants, and related treatment for children under the age of 18. The Bill is limited to one hearing aid and related treatment per ear per child once every three years. The mandated coverage may be subject to any cost-sharing provision that applies under the policy. A group policy may not impose preexisting condition exclusions; however, an individual health insurance policy may impose a preexisting condition exclusion not to exceed one year. AB 16 *applies* to: Individual and group health insurance policies, including defined network plans, Sickness care plans operated by a cooperative association and voluntary nonprofit sickness care plans, Health care plans offered by the state to its employees and health care plans offered by the Group Insurance Board to local governments, including self-insured health plans, Self-insured health plans of a county, city, village, town, or school district, and short term plans. AB 16 *does not apply* to: A health insurance policy that covers only certain specified diseases, a health care plan offered by a limited service health organization or by a preferred provider plan that is not a defined network plan, a long-term care policy, or a Medicare replacement policy or supplement policy. Under an individual disability policy if a child is denied coverage, the insurer must inform the family of coverage under BadgerCare Plus.

Assembly Substitute Amendment 1 to AB 16- Requires insurance policies to cover treatment regardless if the threshold of one hearing aid and related treatment per ear per child more often than once every three years is met. Eliminates the language requiring an insurer to notify the family of coverage under BadgerCare Plus. *[ASA 1 to AB 16 adopted 6-4, all Republicans voting No]*

Assembly Amendment 1 to Assembly Substitute Amendment 1- Both group policies and plans and individual policies would be prohibited from including a preexisting condition exclusion with respect to the required coverage. Excludes disability insurance, self insured plans of the state, county city, town, village, or school district that provides limited-scope dental or vision benefits. *[AA1 to ASA 1 to AB 16 adopted 6-4, all Republicans voting No]*

Assembly Amendment 2 to Assembly Substitute Amendment 1- excludes short-term bridge plans. *[AA2 to ASA 1 to AB 16 adopted 9-1, Rep. Suder voting No]*

Fiscal Effect:

The Fiscal Estimate from OCI lists the cost as indeterminate. OCI has yet to prepare a social and financial impact statement to give an appropriate estimate of the effect it will have on health Insurance premiums.

Sen. Lassa (Senate Sponsor) believes that it would increase the average insurance premium by \$1.27 per year. Last session, OCI estimated that SB 88/AB 133 (two very different bills from AB 16) would increase premiums by about \$.08 cents per person per month.

Assembly Republican Message:

Mandating insurance coverage for cochlear implants, hearing aids, and related treatment will only cover roughly one third of the population. Alternative: We should explore other options available under BadgerCare Plus, such as amending the waiver to include coverage under the Benchmark plan, thus covering all kids, before instituting a mandate on small businesses. However, given the sensitivity of this bill it is justifiable to vote in favor because of the estimated low fiscal impact.

Opposition Arguments:

Currently, insurance companies are not required to cover any cost associated with hearing aids or cochlear implants. Roughly 200 children are born each year in WI who are deaf or hard of hearing.

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Key Supporters:

Representative David Cullen and Senator Julie Lassa (authors); Disability Rights Wisconsin, Marshfield Clinic, Wisconsin Council on Children and Families, Milwaukee Police Association, Wisconsin Association of School Boards, Wisconsin Coalition of Independent Living Centers, Wisconsin Nurses Association, Wisconsin Speech- Language Pathology and Audiology Professional Association

Key Opponents:

Wisconsin Manufacturers and Commerce. Many insurance companies have undisclosed positions, however, expressed some opposition and sought amendments.

Committee Vote:

On April 7, 2009, the Assembly Committee Insurance recommended passage of AB16, as amended, on a party line vote of 6-4. [Nygren, Suder, Vos, and Roth voted No.]

Staff Author of Bill Summary

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