



House of Representatives

General Assembly

File No. 10

January Session, 2009

Substitute House Bill No. 5672

House of Representatives, February 24, 2009

The Committee on Insurance and Real Estate reported through REP. FONTANA, S. of the 87th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT EXPANDING INSURANCE COVERAGE FOR HEARING AIDS FOR CHILDREN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-490b of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective January 1, 2010*):

3 Each individual health insurance policy providing coverage of the
4 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
5 469 delivered, issued for delivery, renewed, amended or continued in
6 this state on or after [October 1, 2001] January 1, 2010, shall provide
7 coverage for hearing aids for children [twelve] eighteen years of age or
8 younger. Such hearing aids shall be considered durable medical
9 equipment under the policy and the policy may limit the hearing aid
10 benefit to one thousand dollars within a twenty-four-month period.

11 Sec. 2. Section 38a-516b of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective January 1, 2010*):

13 Each group health insurance policy providing coverage of the type
 14 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
 15 delivered, issued for delivery, renewed, amended or continued in this
 16 state on or after [October 1, 2001] January 1, 2010, shall provide
 17 coverage for hearing aids for children [twelve] eighteen years of age or
 18 younger. Such hearing aids shall be considered durable medical
 19 equipment under the policy and the policy may limit the hearing aid
 20 benefit to one thousand dollars within a twenty-four-month period.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2010</i>	38a-490b
Sec. 2	<i>January 1, 2010</i>	38a-516b

INS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 10 \$	FY 11 \$
State Comptroller - Fringe Benefits	All Funds - Cost	275,000	550,000

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

The expansion of insurance coverage for hearing aids for children ages 13 to 18 in the bill is not provided under the current state employee plans. This change is anticipated to impact the state employee plans when the mandate takes effect on January 1, 2010, with an FY 10 cost of \$275,000. The estimated annualized cost to the state health plans is \$550,000.

The bill's impact on municipal health insurance costs will vary by municipality depending on the current coverage and cannot be determined at this time. The coverage requirements effective January 1, 2010 may result in increased premium costs when municipalities enter into new contracts for health insurance. Due to federal law, municipalities with self-insured health plans are exempt from state health insurance benefit mandates.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Office of the State Comptroller, Municipal Employees Health Insurance Plan (MEHIP) Schedule of Benefits, State Employee Health Plan Subscriber Agreement.

OLR Bill Analysis**sHB 5672*****AN ACT EXPANDING INSURANCE COVERAGE FOR HEARING AIDS FOR CHILDREN.*****SUMMARY:**

This bill increases the age for which certain insurance policies must cover hearing aids as durable medical equipment. Current law requires coverage for children under age 13. The bill requires coverage for children under age 19. By law, a policy may limit coverage to \$1,000 in a 24-month period.

EFFECTIVE DATE: January 1, 2010

APPLICABILITY

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut on or after January 1, 2010 that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; and (4) hospital or medical services, including coverage under an HMO plan.

Due to federal law (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 17 Nay 2 (02/10/2009)