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FISCAL IMPACT REPORT

ORIGINAL DATE 1/27/06
 SPONSOR Silva LAST UPDATED 1/30/06 HB HM 16
 SHORT TITLE Children's Hearing Aid Insurance Coverage SB _____
 ANALYST Lewis

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Commission for Deaf and Hard of Hearing Persons (CDHH)

Department of Health (DOH)

Public Regulation Commission (PRC)

Human Services Department (HSD)

Children, Youth and Families Department (CYFD)

SUMMARY

Synopsis of Bill

House Memorial 16 requests that a study be requested on the feasibility of mandating insurance coverage for children's hearing aids and cochlear implant processor replacement as durable medical equipment.

The memorial further requests that:

- the Commission for Deaf and Hard-of-Hearing Persons be the lead agency to coordinate the study and include the participation of the Department of Health, the Human Services Department, the Children, Youth and Families Department and the Insurance Division of the Public Regulation Commission as well as private organizations, including New Mexico Hands and Voices, an organization of parents of children who are deaf or hard of hearing, representatives of the National Hearing Loss Association of America, Parents Reaching Out, the New Mexico Speech and Hearing Association, Presbyterian Ear Institute, the New Mexico Audiology Association, the New Mexico Association of the Deaf and other invested stakeholders;

- the recommendations resulting from this study be reported no later than December 30, 2006 to the appropriate legislative committee as deemed by the New Mexico Legislative Council; and
- copies of this memorial be transmitted to the Commission for Deaf and Hard-of-Hearing Persons, the New Mexico School for the Deaf, the Department of Health, the Human Services Department, the Children, Youth and Families Department and the Insurance Division of the Public Regulation Commission.

FISCAL IMPLICATIONS

No fiscal impact.

SIGNIFICANT ISSUES

According to the Commission for Deaf and Hard of Hearing Persons (CDHH), hearing aids have become very costly and this issue needs to be addressed. CDHH notes that this memorial will bring the different agencies together and begin a true dialogue on how the State of New Mexico may begin to address this issue.

According to the Department of Health (DOH), as many as 80 infants are born each year in New Mexico with congenital hearing loss, placing congenital hearing loss among the most common birth defects. Other children are born with normal hearing but experience late onset or progressive hearing loss. The New Mexico Universal Newborn Hearing Screening program mandated by legislation in 2001 requires all hospitals to screen newborns for hearing sensitivity prior to discharge from the hospital, following guidelines established by the Joint Commission on Infant Hearing. Those guidelines include screening of all newborns before one month of age, audiologic diagnosis before three months of age and enrollment in early intervention services before six months of age.

According to DOH, children as young as one month of age can be fitted with hearing aids. Although there is a small window of opportunity for early intervention to prevent life-long consequences, there is considerable evidence that early intervention services at this young age can mitigate the effects of the hearing loss and provide the child and family with the opportunity to develop age appropriate communication.

DOH notes that an estimated 86% of New Mexico children have some type of insurance, but most insurance plans in New Mexico, except Medicaid, do not provide coverage for hearing aids.

ADMINISTRATIVE IMPLICATIONS

The Insurance Division of the Public Regulation Commission (PRC) notes that it can provide staff to participate in the study with existing staff and budget and with minimal fiscal impact.

CYFD also indicates that it can absorb any administrative impact associated with the memorial.