



**SB 607 – HB 761**

March 21, 2011

**SUMMARY OF AMENDMENTS (004534, 004515):** Exempts the TennCare program from the bill and mandates the coverage for every child covered by the insurance policy, whether the child is a dependent of the policy holder or otherwise.

**CORRECTED FISCAL IMPACT OF ORIGINAL BILL:**

Decrease State Expenditures - \$48,000

Increase Local Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would not result in a significant increase in the cost of health insurance premiums for plans that do not cover hearing aids for individuals under the age of 18.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

**Unchanged from the corrected fiscal note.**

Assumptions applied to amendments:

- The provisions of the proposed bill as amended will become effective January 1, 2012.
- The Department of Health's Children's Special Services (CSS) Program is a payer of last resort for services that other providers have been billed and denied the claim.
- Currently, the CSS program is paying for approximately 90 enrollees that have hearing aids and private insurance. CSS pays approximately \$800 per hearing aid per year. Hearing aids are replaced approximately every three years due to changes in the child's hearing needs.
- If private insurance is required to cover hearing aids, the Department of Health will no longer have to cover the cost of the devices resulting in a recurring decrease in state expenditures of \$48,000 [(90 enrollees x \$800 per hearing aid x 2 hearing aids) / 3 years].
- The TennCare program is exempted from the provisions of the bill as amended.
- The Department of Commerce and Insurance will not incur a significant increase in expenditures to regulate the mandated coverage. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

- The mandate will not apply to the State Employee, Local Government, and Local Education Health Plans.
- Any local government that does not opt into the state employee health plan may incur an increase in expenditures if hearing aids for individuals under the age of 18 are not a covered benefit. Any increase is estimated to be not significant.
- Private health insurance impact: Most private health insurance plans currently cover hearing aids for individuals under the age of 18. For plans required to add hearing aid coverage, the number of hearing aids will not be substantial enough to have any significant impact on premiums.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/kml