

SUPPORT SB2838

PROTECT CONSUMERS WHO PURCHASE HEARING CARE PLAN CONTRACTS

- SB2838 amends the Illinois Insurance Code by adding a new Article to the Code that regulates hearing care plan contracts.
- Frequently, persons purchasing a hearing aid believe that their hearing care plan provides them a health care benefit. In many cases, however, the contract merely provides the person with access to a discount on the purchase price of the hearing aid.
- In promotional materials and plan documents, third party administrators of hearing care plans use the term “benefit” imprecisely to explain both funded and unfunded benefits. This practice is misleading to both consumers and hearing instrument professionals, who interact with consumers when they purchase a hearing aid. Additional transparency around what is covered and what is not covered would avoid confusion and disappointment when a consumer purchases a hearing aid.
- SB2838 adds protections for the consumer and assists the hearing care professional by requiring a hearing care plan to:
 - Clearly communicate in writing the details of the plan and the specific hearing care benefits it provides, including allowable rates.
 - Clearly represent in marketing materials and plan documents whether or not the benefit is funded or unfunded.
 - Provide specific dollar benefit amounts, copayments, coinsurance, or deductibles applicable to hearing care benefits.
- SB2838 prohibits a hearing care organization from requiring a hearing instrument professional to provide items or services to a consumer at a fee set by the hearing care plan when those items or services are not covered by the plan.
- The bill allows a hearing care plan to enter into an agreement with a health care plan to provide routine hearing care services and medically necessary diagnostic hearing services. However, if the benefits of the plan include routine hearing testing for the purpose of fitting or modifying a hearing aid, the hearing instrument professional must be reimbursed by the plan for the costs of performing the testing, regardless of whether the consumer proceeds with the purchase of a prescription hearing aid.
- Ownership of a hearing care plan by a manufacturer of prescription hearing aids must be disclosed on the hearing care plan’s website, in its marketing communications, and in its plan documents, and must specify which prescription hearing aids offered in the hearing care plan are manufactured or distributed by the owner of the hearing care plan.
- Effective January 1, 2027, requires hearing care organizations to register with the Department of Insurance.
- Amends the Consumer Fraud and Deceptive Business Practices Act to make any violation of the Article on hearing care plan contracts a violation of the Act.
- This bill has been negotiated with the Illinois Life & Health Insurance Council, which is neutral on the legislation.

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