

**Introduced by Senator Scott**February 21, 2002

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An act to add Section 1367.195 to the Health and Safety Code, and to add Section 10123.75 to the Insurance Code, relating to health care.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1638, as introduced, Scott. Hearing aids.

Existing law provides for the regulation of health care service plans by the Department of Managed Health Care. Existing law requires health care service plan contracts to provide specified coverage to its enrollees and subscribers.

Existing law provides for the regulation of disability insurers by the Insurance Commissioner. Existing law requires health care service plan contracts to provide specified coverage to its enrollees and subscribers.

This bill would require health care service plans and disability insurers to provide coverage for hearing aids, as defined, to all enrollees and subscribers under 18 years of age. This bill would provide that this coverage would not apply to hospital confinement indemnity policies, disability income policies, accident only policies, long-term care policies, Medicare supplement policies, limited benefit health policies, specified disease indemnity policies, accidental death policies, and other limited benefit policies.

Because this bill would place additional requirements on health care service plans, the violation of which is a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.



This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1367.195 is added to the Health and  
2 Safety Code, to read:

3 1367.195. (a) Every health care service plan contract that  
4 covers hospital, medical, or surgical expenses on a group basis,  
5 that is issued, amended, or renewed on or after January 1, 2003,  
6 shall provide coverage for hearing aids to all enrollees and  
7 subscribers under 18 years of age.

8 (b) For purposes of this section “hearing aid” means any  
9 nonexperimental, wearable instrument, or device designed for the  
10 ear and offered for the purpose of aiding or compensating for  
11 impaired human hearing, but excluding batteries and cords.

12 (c) It shall remain within the sole discretion of the health care  
13 service plan as to the provider of hearing aids with which they  
14 choose to contract. Reimbursement shall be provided according to  
15 the respective principles and policies of the health care service  
16 plan. Nothing contained in this section shall preclude a health care  
17 service plan from conducting managed care, medical necessity, or  
18 utilization review.

19 (d) This section shall not apply to hospital confinement  
20 indemnity policies, disability income policies, accident only  
21 policies, long-term care policies, Medicare supplement policies,  
22 limited benefit health policies, specified disease indemnity  
23 policies, accidental death policies, and other limited benefit  
24 policies.

25 SEC. 2. Section 10123.75 is added to the Insurance Code, to  
26 read:

27 10123.75. (a) Every policy of disability insurance, that  
28 provides coverage for hospital, medical, or surgical expenses, that  
29 is issued, amended, or renewed on or after January 1, 2003, shall  
30 provide coverage for hearing aids to all enrollees and subscribers  
31 under 18 years of age.

32 (b) For purposes of this section “hearing aid” means any  
33 nonexperimental, wearable instrument, or device designed for the



1 ear and offered for the purpose of aiding or compensating for  
2 impaired human hearing, but excluding batteries and cords.

3 (c) It shall remain within the sole discretion of the disability  
4 insurer as to the provider of hearing aids with which they choose  
5 to contract. Reimbursement shall be provided according to the  
6 respective principles and policies of the disability insurer. Nothing  
7 contained in this section shall preclude a disability insurer from  
8 conducting managed care, medical necessity, or utilization review.

9 (d) This section shall not apply to hospital confinement  
10 indemnity policies, disability income policies, accident only  
11 policies, long-term care policies, Medicare supplement policies,  
12 limited benefit health policies, specified disease indemnity  
13 policies, accidental death policies, and other limited benefit  
14 policies.

15 SEC. 3. No reimbursement is required by this act pursuant to  
16 Section 6 of Article XIII B of the California Constitution because  
17 the only costs that may be incurred by a local agency or school  
18 district will be incurred because this act creates a new crime or  
19 infraction, eliminates a crime or infraction, or changes the penalty  
20 for a crime or infraction, within the meaning of Section 17556 of  
21 the Government Code, or changes the definition of a crime within  
22 the meaning of Section 6 of Article XIII B of the California  
23 Constitution.

