SEC. ___. EXPANSION OF ELIGIBILITY FOR HEARING AIDS FOR PEDIATRIC DEPENDENTS.

Section 1077(a)(16) of title 10, United States Code, is amended by inserting "or any dependent who is 18 years old or younger," after "but only for a dependent of a member of the uniformed services on active duty".

[Please note: The "Changes to Existing Law" section below sets out in red-line format how the legislative text would amend existing law.]

Section-by-Section Analysis

This proposal would extend eligibility for hearing aids authorized under section 1077(a)(16) of title 10, United States Code, to all pediatric dependents. Extension of the hearing aid benefit to include all pediatric dependents recognizes the critical role that hearing intervention can play in the development of the brains of children and adolescents. The current law restricts hearing aids to the dependents of active duty uniformed service members (including spouses and children, in addition to other active duty service member dependents defined in section 1072); there is no age restriction. This limited benefit is largely a cost-saving restriction, due to the increasing levels of hearing loss in older populations (disabling hearing loss increases from two percent for adults ages 45 to 54, to 8.5 percent for adults ages 55 to 64, to 25 percent for ages 65 to 74, up to 50 percent for ages 75 and older). Retirees and their dependents (particularly spouses) are more likely to be older, with an increased likelihood to need hearing amplification. However, the existing restriction impacts pediatric dependents other than dependents of active duty service members (including children of retirees), despite the fact that hearing loss in the pediatric population is both less prevalent (two to three per 1000 children are born with detectable hearing loss) and more damaging. In some cases, a pediatric dependent may be eligible for a hearing aid while the service member is on active duty, and then no longer be eligible once their sponsor retires. This proposal recognizes that hearing aids in children do more than amplify sound; they aid in brain development. Failure to correct hearing loss at a young age can impact the child's development into adulthood and can result in additional costs to the TRICARE Program, including behavioral, occupational, and speech-language therapies. Therefore, this proposals provides that all pediatric dependents should be eligible for hearing aids under an expansion of the hearing aid benefit, while continuing to exclude the costliest population (retirees and their dependents over the age of 18).

Beginning around the age of six months to a year, an infant's brain undergoes changes to the language center. At birth, infant brains have the capacity to learn any language, but during this developmental period, the child's experience causes the brain to create pathways specific to the child's native language. During this time, the infant begins to specialize in his or her ability to discriminate the native language, while losing the ability to do so for other languages. The process is typically completed between ages five and six and requires the child's active participation in order to gain experiences related to sensory perception. This process impacts not

just the child's ability to speak and understand auditory language, but to comprehend language in general, including written language. While development of the language centers of the brain typically completes around age five, higher cognitive functions continue to develop until around ages 15 to 18 when the child reaches adult levels of brain development. Access to hearing intervention throughout childhood and adolescence impacts higher cognition, including reasoning, problem-solving, literacy rates, self-esteem, and the ability of the child to interact in an age-appropriate manner with peers and adults.

Much of the research on brain development and the critical role played by early hearing intervention has occurred since section 702 of Public Law 107-107, which authorized hearing aids for dependents of active duty service members, was signed into law in 2001. Since that time, the American Academy of Pediatrics has issued guidance advocating hearing intervention no later than six months of age for infants with confirmed hearing loss, arguing that hearing is essential for linguistic competency and literacy and that failure to do so can ultimately result in lower education and employment levels in adulthood. The Joint Committee on Infant Hearing also advocates hearing intervention by the age of six months, with access to high-quality technology including hearing aids and cochlear implants. Since the passage of Public Law 107-107, 23 States have passed legislation mandating that insurance providers cover some level of hearing aid intervention for children. State caps vary from 12 to 24 years of age, with a majority using the age of 18 as the cutoff point (three states mandate coverage for adults). While TRICARE has no legal requirement to follow State insurance coverage requirements, the increasing number of States requiring coverage for hearing aids for children underlines a growing understanding of the importance of early intervention for hearing-impaired children.

TRICARE covers implantable hearing devices, such as auditory brainstem implants, auditory osseointegrated implants, and middle ear implants (both fully and partially implantable), under the prosthetic benefit, but is prevented from extending that benefit to traditional hearing aids by the statutory exclusion restricting hearing aids to dependents of active duty uniformed service members. The statutory revision in this proposal would increase access to hearing interventions for a highly vulnerable population, while maintaining cost controls by continuing to restricting access for older beneficiaries. Existing requirements for profound hearing loss would remain unchanged.

Budgetary Implications: The table below details resource requirements associated with this proposal. The resources reflected in the table below are included in the fiscal year 2021 President's Budget. It details resource requirements associated with this proposal including both health care costs (i.e., costs to provide hearing aids) and administrative costs. The cost for the first year of the benefit is higher than for subsequent years due to both one-time start-up administrative costs (0.21M) and pent-up demand by beneficiaries who either have not purchased hearing aids or who purchased lower-cost/lower-quality hearing aids out of pocket and choose to have them replaced (2.08M). Additionally, the first year cost includes a full year of health care costs, but would be lower depending on the date the legislation went into effect (reduced approximately .11M per month after October 1, 2020). This estimate assumes that hearing aids would need to be replaced every five years and includes all costs associated with the hearing aid, including fitting and repairs. The estimate also assumes that existing requirements regarding significant hearing loss and administration of the hearing aid benefit currently in place

for active duty family members would remain unchanged for the beneficiary population in this proposal, with the exception of cost-shares, which are higher for non-active duty family members. This cost estimate recognizes that some TRICARE-eligible children not currently enrolled in TRICARE would be enrolled by their parents due to the new benefit, and accounts for their total health care costs. Not included in this estimate are any potential cost offsets due to reductions in other services due to early hearing intervention, such as speech, occupational, or behavioral therapy.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2021	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**	**Appropriation**	**Budget Activity**	**BLI/ SAG**	**Program Element**
Defense Health	4.11	1.88	1.97	2.07	2.17	Operation and Maintenance, Defense Health Program	01	02_01	-

Changes to Existing Law: This proposal would make the following changes to section 1077 of title 10, United States Code:

§1077. Medical care for dependents: authorized care in facilities of uniformed services

(a) Only the following types of health care may be provided under section 1076 of this title:

* * * * *

(16) Except as provided by subsection (g), a hearing aid, but only for a dependent of a member of the uniformed services on active duty <u>or any dependent who is 18 years old or younger,</u> and only if the dependent has a profound hearing loss, as determined under standards prescribed in regulations by the Secretary of Defense in consultation with the administering Secretaries.

* * * * *