

ASSOCIATED
AUDIOLOGISTS



**YOUR GUIDE TO
INSURANCE AND
HEARING AIDS**



Before you begin looking for hearing aids, there are a lot of things you need to know. One of the first is that not every hearing aid provider accepts insurance benefits as payment. For example, big box stores often only accept private payment, as do many other clinics.

Associated Audiologists works with more insurance plans than most other private practices in the region. These plans include Blue Cross/Blue Shield, United Healthcare, TriCare, Humana, Aetna/Coventry, Cigna and most Medicare replacement plans.

Our staff members know the right questions to ask in order find out whether you have coverage, and if you do, how it can help and what your financial responsibility will be.

This guide also can help you better understand the “ins and outs” of how to navigate your insurance benefits as they relate to hearing aids.

*INSURANCE PLAN BENEFITS
AND COVERAGE FOR
HEARING AIDS VARY WIDELY,
AND THE PLANS
CHANGE FREQUENTLY.
TO HELP YOU UNDERSTAND
YOUR BENEFITS AND THE
COVERAGE YOU MAY HAVE,
WE ENCOURAGE YOU
TO CONTACT OUR CLINICS
DIRECTLY AT **855-547-8745**.*

Key Terms

The insurance industry uses a number of terms interchangeably, so when reviewing your benefits or shopping for a new plan, be sure to familiarize yourself with these terms, and ask for specifics. You **CANNOT** assume you have coverage. ***Even if you have verified the benefits with your plan, be sure to verify the benefits with your audiologist and that they participate with your plan.***

For example, Associated Audiologists keeps detailed information about how each health insurance plan and accompanying benefit works relative to contracts and understands the terms used.

Advanced Beneficiary Notice – An ABN is a written notice given to you before receiving certain items or services, notifying you that Medicare (or other health insurance) may deny payment for, or does not cover, a specific procedure or treatment. You will be personally responsible for full payment.

Allowable – An allowable charge is an approved dollar amount under contract that a health insurance company will reimburse a provider for a certain medical expense.

Benefit – The health care items, products, procedures or services covered under a health insurance plan. Covered benefits and excluded services are defined in the health insurance plan's coverage documents.

Claim – A request for payment that you or your health care provider submit to your health insurer when you get items, products, procedures or services that are covered. Some items, products, procedures and services are not covered. Therefore, a claim cannot be submitted.



Copayment – An amount you pay as your share of the cost for an appointment, medical service or item, like a doctor's visit.

Coinsurance – Your share of the cost for a covered health care service, usually calculated as a percentage (like 20%) of the allowed amount for the service.

Deductible – The amount you owe for covered health care services before your health insurance or plan begins to pay.

Explanation of Benefits (EOB) – A statement from your insurance company explaining what the plan covers for specific services, and your share of the cost, if any.

Fee for Service – A method in which health care providers are paid for each service performed. Examples of services include tests and office visits not covered by health insurance or not included or bundled into other services.

Formulary – Approved products, medications, or devices covered under a health insurance plan which might include a list of specific hearing aids covered/included under a plan.

Free Hearing Test – Many plans promote that they provide a free hearing test. Please note that these are typically promoting screenings, or partial exams, not comprehensive hearing evaluations, and cannot be used to actually prescribe or fit hearing aids. If you have a hearing loss, you will likely still need a comprehensive hearing evaluation, which may or may not have a fee or co-payment. If it is deemed medically necessary, in most cases, Medicare or your insurance will cover the cost of the evaluation, less any required co-payment or deductible.

Network – The doctors, providers, hospitals, and suppliers your health insurer has contracted with to deliver health care services to members.

Non-covered Services – Services and items that insurance does not cover when certain conditions have not been met. A notice of non-coverage is used to inform a patient before services are delivered that they are not covered by insurance. The patient then can decline or proceed, with the understanding that they will be responsible for payment.

Open Enrollment – The period of time during which you are allowed to sign up for a plan or switch to a different plan. For most traditional employer-sponsored plans, open enrollment occurs in October/November each year.

Premium – The amount you pay for your health insurance or plan each month (or each year).

Prior Authorization – Approval from a health plan that may be required before you get an item, product, procedures or service in order for it to be considered for coverage/payment by your plan.

Third-party administrator (TPA) – A TPA is an entity that is a third party in a health insurance agreement and administers the claim settlement aspect of the contract between a policyholder and the insurer. For example, some health insurance companies utilize TPAs to provide hearing aid benefits or discount purchase options.



Medicare



Medicare covers the cost of a comprehensive hearing evaluation when medically necessary with physician orders. However, Medicare DOES NOT have any provision to help cover the cost of hearing aids, anything related to hearing aids, or costs associated with hearing aids, such as batteries, services, or repairs. If you have Medicare and a traditional supplemental policy, you may have to cover the cost of hearing aids yourself as an out-of-pocket expense.

No Such Thing As a “Free” Hearing Test

If you think you have hearing loss, the first step is to have a comprehensive hearing evaluation performed by a doctoral-level audiologist. Many plans administered by third party administrators promote that they offer a free hearing screening. A screening just takes a few minutes and gives you an idea if you may have a hearing loss, but it’s just a simple way to see if hearing loss may be present.

A screening is NOT the same as a comprehensive hearing evaluation. Hearing aids should never be prescribed or fit based on the results of a screening or partial test.

A comprehensive hearing evaluation, on the other hand, typically takes 60 to 90 minutes to conduct. During this time, the audiologist will take your case history. This includes talking about your medical history and the hearing problems you have. This also allows time to understand your challenges, establish your goals, discuss recommendations, and review what to expect.

The audiologist will look into your ears using a light, called an otoscope. This is to check if there is anything in your ear that will make it hard to test your hearing.

The audiologist will then do different tests, usually in a sound treated booth.

Medicare Advantage Plans, sometimes called “Part C” or “MA Plans”

Recently, especially in the Kansas City area market we have seen an increase in the number of patients who are enrolling in Medicare Advantage (Medicare replacement) plans. Unfortunately, many individuals do not understand how their plans work, especially as it relates to hearing aids. Here is some information from the Medicare.gov website that helps further explain these plans.

These plans are an “all in one” alternative to original Medicare. They are offered by private insurance companies approved by Medicare. If you join a Medicare Advantage Plan, you still have Medicare. These “bundled” plans include Medicare Part A (hospital insurance) and Medicare Part B (medical insurance), and usually Medicare prescription drug coverage (Part D).



Medicare pays a fixed amount for your care each month to companies offering Medicare Advantage plans. These companies must follow rules set by Medicare. Each Medicare Advantage plan can charge different out-of-pocket costs. Please be aware that even if you subscribe to a plan that says it charges zero premiums, YOU still have to pay your monthly Medicare premiums.

That means the insurance company you purchase this plan from receives a monthly amount to take you on as a patient. This is paid by Medicare. PLUS, you have to pay them your Medicare premiums, instead of paying them to Medicare. Depending on how your plan is structured, you may not have to pay any additional premiums (where the zero premium claim comes in). Or, you may have additional premiums on top of your Medicare premiums.

Medicare Advantage plans can also have different rules for how you access services, like whether you need a referral to see a specialist. Or, they may require you to go to doctors, facilities, or providers/suppliers that belong to the plan for non-emergency or non-urgent care. These rules are subject to change each year.



Medicare Advantage plans cover all Medicare services. Some plans also offer extra coverage, like vision, hearing and dental coverage. This is where things can get complicated regarding hearing aids.

Even though some Medicare Advantage plans claim to offer a hearing aid benefit, you should be fully educated about how this works.

After working with several of these plans, Associated Audiologists has found that sometimes the hearing aid benefit covers only a low-end hearing aid that may be less sophisticated than some of the older hearing aid technology a patient may already be wearing, or is not appropriate for the type of hearing loss the patient has.

In other cases, the plans are so restrictive in terms of providers or treatment choices, the hearing aid coverage turns out to be of little benefit at all.

For patients who have purchased these plans thinking they now have coverage, not only for hearing aids, but other services, like dental or vision, this can be very frustrating.

Before you sign up for an advantage plan, check the benefits very carefully as they relate to all your health-related services. **For hearing aids, call our offices and we will check the benefits to see if they would be helpful for you.** In some cases, these are mail order devices and in others, they have very few providers enrolled to provide coverage, causing confusion and delays for beneficiaries who want to utilize their benefit.

If you signed up for an advantage plan and want to change plans, you can do so during the next open enrollment period.



Traditional Insurance Benefits



Insurance coverage for examinations and hearing aids varies from one insurance provider to the next, even from plan to plan under the same insurance company. If your insurance helps cover hearing aids, you need to meet your deductible before coverage kicks in. Then, the coverage is often a percentage of the total expense.

For example, with a traditional insurance plan, if your deductible is \$1,000 a year, and you've met that amount, and then your plan covers 80 percent of the cost of hearing aids, you would be responsible for the remaining 20%. In this example, if you were purchasing a pair of hearing aids for \$4,000, your insurance plan would cover \$3,200 of the cost, and you would be responsible for the remaining \$800. If you have funds still left in your FSA or HSA, you could even use them to cover your share of the cost, allowing you to use tax-advantaged dollars as well.

Some insurance companies also promote "discount options," which may be purchased through a third party. Be sure you understand exactly what your plan offers. Often, these "benefits" or "discount options" limit you to the purchase of a specific device from a specific provider or manufacturer. They may offer a lower cost for the device only, which doesn't include service; provides only low-end devices that may not work well for your specific hearing needs; or offer limited flexibility for the patient. In some cases, you can purchase devices of your choice with included service for the same or less than these "discounted options."

Other Payment Options

Private Pay

Pay for your hearing aids at the time of purchase. If you can't, most audiology practices accept a variety of credit cards.

FSAs and HSAs

If you have a flexible spending account (FSA) through your workplace, or a health savings account (HSA), hearing aids qualify as an expense. Using an FSA or HSA also can reduce your taxes, so it can be a great way to save throughout the year for a health expense you know you need to make, and also save tax dollars.

Here's how an FSA works. All year long, via your employer's plan, you have a designated amount of funds withdrawn from your paycheck and deposited in a special FSA account. You don't pay taxes on these dollars. That means you reduce your taxable income by the amount you set aside in the FSA. There are some limits to how you can use these accounts though.

In most cases, a pair of advanced hearing aids will cost more than the limit. Because these plans are "use it or lose it," it's good to know that if you choose to pay for your hearing aids this way, you'll use it, not lose it.

You use your FSA by submitting a claim to the FSA plan administrator (through your employer) with proof of the medical expense and a statement that it has not been covered by your insurance plan. You will then receive reimbursement for your costs. Your employer should be able to tell you how to use your specific FSA.

In most cases though, you must use the dollars you've saved in your FSA by the end of the calendar year. That's why it's important to plan carefully and not put more money in your FSA than you think you'll use, and use what's in there by the end of the year. In many cases, if you don't use those dollars, you lose them. An HSA acts differently. The dollars

set aside for health-related expenses don't expire and can sit in your health savings account for use at any time in the future.

Deduct the Expense on Taxes

Hearing aids are a qualified medical expense if you itemize your medical expenses on your income taxes. Be sure to talk with your tax advisor regarding claiming medical expenses though. There are specific thresholds you have to meet in terms of your total medical expenses in order to take these types of deductions. Additionally, if you purchase hearing aids through Associated Audiologists, they qualify as medical devices and are exempt from sales tax, which may not be the case if you purchase hearing aids through some retail outlets.

Check Financing Options

By using special financing to purchase hearing aids, you can spread the cost of your purchase out so that it works better for your budget, yet you can still get the help you need. CareCredit is a convenient, monthly payment program we accept at Associated Audiologists. The Wells Fargo Financial National Bank credit card program also provides budget flexibility through a comprehensive range of financing options. More information is available at any of the Associated Audiologists clinics. These plans usually have a set time for repayment, which can affect the interest rate.

The Associated Audiologists staff has the expertise to check and verify your insurance coverage, as well as provide detailed estimates of hearing aid recommendations and costs. We also can provide you with the receipts necessary for reimbursement from your FSA plan and accept HSA plan payments.

Call 855-547-8745 for more information.

Patient Examples



Pam with Medicare/Private Pay

Pam is 68 years old and has traditional Medicare, plus a standard supplemental policy.

Testing

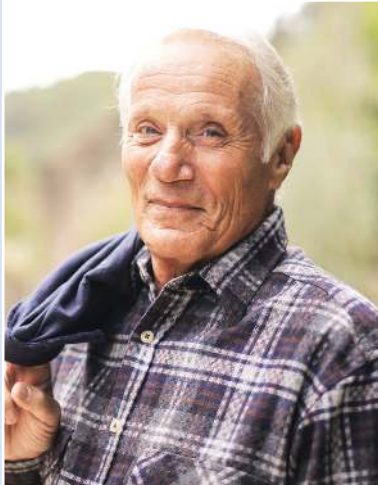
Pam's primary care provider ordered a comprehensive hearing evaluation (total cost \$150 with tympanometry). Because this is her first diagnostic hearing evaluation and medically necessary, Medicare will cover the cost of this examination less any yearly deductible (Medicare usually has a \$100 yearly deductible which she met).

Hearing aids

Because Pam's plan doesn't offer a benefit for hearing aids, she is responsible for the full cost and considered private pay. Pam has a wide range of options available to her, starting at \$675 per ear to \$2,700 per ear.

Pam chooses mid-level hearing aid technology that also offers Bluetooth connectivity. The total cost for her hearing aids is \$3,500 a pair. This includes a three-year warranty and one year of professional follow-up appointments. Pam's total out-of-pocket cost for her hearing evaluation and new hearing aids is \$3,500 (\$3,500 a pair hearing aids + \$0 of the evaluation since she had met her yearly Medicare deductible).

Patient Examples (cont.)



Allen with an Advantage Plan

Allen is 72 years old and has a Medicare replacement plan, also known as a Medicare Advantage plan. Allen already wears hearing aids, but needs an updated hearing evaluation. Allen's hearing aids are six years old, and he would like to upgrade to the latest premium technology.

Testing

Allen's Medicare Advantage plan will cover the testing with his required \$50 co-pay. Allen is responsible for any remaining uncovered balance.

Hearing aids

Allen's plan utilizes a third-party administrator (TPA) discount program that offers the devices he is interested in, but also states that it offers devices with a \$699 per device "co-pay." This "co-pay" is actually the cost of an entry-level hearing aid which is less sophisticated technology than his current devices. Allen prefers to get premium technology over the entry-level hearing aid so he has two choices.

1. If Allen chooses premium technology through his TPA, his cost is \$4,900/pair, which includes the hearing aid fitting and one follow-up appointment. Plus, he must work with the TPA for enrollment requirements, appointment scheduling, and all payment arrangements. His follow-up appointments through the TPA discount program cost approximately \$65 per appointment, plus any additional non-covered services like cerumen removal, shipping/handling for repairs and loaners.
2. If Allen chooses premium technology purchased directly through his audiologist, his cost will be \$5,400/pair, but this includes three years of professional services and more predictable out-of-pocket costs since these are all included in the three-year private pay option. **This choice also supports a small local business and allows him to continue working directly with his audiologist without involving an outside third-party conglomerate.**

Patient Examples (cont.)



Teresa with Medicare Advantage

Teresa is 66 years old and needs hearing aids. She postponed an evaluation and the purchase until she was on Medicare, and she decided to enroll in a Medicare Advantage plan.

Testing

Teresa's plan covers \$75 of her hearing evaluation cost with \$0 co-pay. She declined other testing since it was not covered under her plan.

Hearing aids

Her plan also has a benefit that covers \$1,800 for a pair of new hearing aids, along with a two-year manufacturer warranty. Teresa will have to pay for her follow-up appointments out of pocket. Teresa would like a new pair of mid-level hearing aids with Bluetooth connectivity that cost \$3,500 for the pair. Teresa's total out-of-pocket cost for the new hearing aids is \$1,700 (her plan covered \$1,800), plus \$0 for her portion of the hearing evaluation.



Tom with Traditional Insurance

Tom is 60 years old and is still covered under his employer's traditional insurance plan, which has a hearing aid benefit.

Testing

Tom needs a hearing evaluation, which his insurance plan covers at 100%.

Hearing aids

Tom wants the latest hearing aid technology to help him hear better in meetings, on his mobile phone, and at home. He has met his yearly deductible of \$1,000. His plan covers 80% of the cost of new premium hearing aids, which include a three-year warranty and three years of follow-up appointments, or \$4,320. Tom is responsible for \$1,080 of the cost of his new hearing aids. Since his hearing evaluation is covered at 100% and with his benefit covering \$4,320 of new hearing aids, his out of pocket total is \$1,080.

Patient Examples (cont.)



Frieda with Federal Insurance

*Frieda is 68 years old and a retired federal employee. She has Federal Blue Cross Blue Shield which provides a \$2,500 benefit toward hearing aids every three years. She is eligible to utilize this benefit through a TPA program, but the benefit can also be submitted directly by her audiologist. Initially she was confused because she received a mailer sounding as if she had to utilize the TPA program to access her Federal BCBS benefit, but this wasn't her only option. She would like to keep things simple and work directly with her audiologist to utilize her \$2,500 benefit and get more professional services covered. **This choice also supports a small local business and allows her to continue working directly with her audiologist without involving an outside third-party conglomerate.***

Testing

Frieda's hearing evaluation is covered at 100% by her insurance.

Hearing aids

Frieda chose a mid-level hearing aid option which cost \$3,000. This included three years of manufacturer warranty and one year of professional visits. Her remaining out-of-pocket responsibility after submitting for her \$2,500 benefit was \$500. She had a \$500 out-of-pocket responsibility and no additional costs for the hearing evaluation.

ABOUT US



Associated Audiologists, Inc.

Associated Audiologists, Inc., is the region's leader in audiologic care for hearing, tinnitus, and balance disorders. Established in 1985, the practice is independent and locally owned by Timothy C. Steele, Ph.D., president and CEO. Associated Audiologists has grown to become one of the largest practices in the region staffed by doctoral-level audiologists. The practice has seven convenient locations to serve you.

Our audiologists have allied health staff privileges at AdventHealth (formerly Shawnee Mission Medical Center), Saint Luke's South Hospital, and Saint Luke's East Hospital. The Associated Audiologists team features professionals who use advanced diagnostic and verification technology to diagnose and treat hearing loss. The practice offers digital hearing aid products from the world's most respected manufacturers backed by unparalleled service.

We also have experts who specialize in diagnosing and managing tinnitus and sound sensitivity, and dizziness and balance disorders. Each of our associates is a doctoral-level audiologist. As part of their four-year doctoral training, these audiologists spend a final year completing an externship experience supervised by a licensed audiologist.

Our audiologists are members of the Academy of Doctors of Audiology (ADA) and hold certificates of clinical competence in audiology from the American Speech-Language-Hearing Association (ASHA). Many of our team members are also adjunct professors at the University of Kansas Medical Center.



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