

**Introduced by Senator Scott**February 1, 2006

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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 coverage.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1223, as introduced, Scott. Hearing aids.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care. Existing law requires a health care service plan to provide specified coverage to its enrollees and subscribers. Existing law provides that a violation of the act is a crime.

Existing law provides for the regulation of health insurers by the Insurance Commissioner. Existing law requires a health insurance policy to provide specified coverage to insureds.

This bill would require health care service plans and health insurers to provide coverage up to \$1,000 for hearing aids, as defined, to all enrollees, subscribers, and insureds under 18 years of age. The bill would provide that the coverage would not apply to certain types of insurance.

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) On or after January 1, 2007, every health care  
4 service plan contract that covers hospital, medical, or surgical  
5 expenses on a group basis, that is issued, amended, or renewed  
6 shall provide coverage for hearing aids, up to one thousand  
7 dollars (\$1,000), to all enrollees and subscribers under 18 years  
8 of age. This benefit may be restricted to one claim during a  
9 36-month period.

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

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

21 SEC. 2. Section 10123.75 is added to the Insurance Code, to  
22 read:

23 10123.75. (a) On or after January 1, 2007, every policy of  
24 health insurance that covers hospital, medical, or surgical  
25 expenses, that is issued, amended, or renewed shall provide  
26 coverage for hearing aids, up to one thousand dollars (\$1,000), to  
27 all insureds under 18 years of age. This benefit may be restricted  
28 to one claim during a 36-month period.

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

33 (c) It shall remain within the sole discretion of the health  
34 insurer as to the provider of hearing aids with which it chooses to  
35 contract. Reimbursement shall be provided according to the

1 respective principles and policies of the health insurer. Nothing  
2 contained in this section shall preclude a health insurer from  
3 conducting managed care, medical necessity, or utilization  
4 review.

5 (d) This section shall not apply to Medicare supplement,  
6 vision-only, dental-only, Champus-supplement insurance, or to  
7 insurance excluded from the definition of health insurance  
8 pursuant to subdivision (b) of Section 106.

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