

### What is the cost impact of *untreated* hearing loss?

- Children who do not receive early intervention cost schools an additional \$420,000 and face overall lifetime costs of \$1 million in special education, lost wages, and health complications, according to a 1995 study published in the *International Journal of Pediatric Otorhinolaryngology*. The U.S. Department of Education indicates that, in 2002 alone, over 70,000 students, ages 6-21, received special education services, due to their hearing loss.
- A 2005 survey to 80,000 households by the Better Hearing Institute reviewed income levels of 43,000 adult heads of household with and without hearing loss controlling for degree of hearing loss, age and other demographic variables. In a study titled "*The Impact of Untreated Hearing Loss on Household Income*" they showed that untreated hearing loss results in a loss of income per household of up to \$12,000 per year, depending on degree of hearing loss. For the 24 million Americans with untreated hearing loss, this equates to \$122 billion in lost income, due to underperformance on the job. This translates into a cost to society of \$18 billion annually in unrealized income taxes (in the 15% bracket).
- For workers, noise induced hearing loss is the most common occupational disease and the second most self-reported occupational injury.
- For seniors, untreated hearing loss causes additional costs to Medicare and other health programs due to loss of independence, social isolation, depression, safety issues, and quality of life. The Senate Special Committee on Aging, in S. Rpt. 107-74, noted: "As the wave of seniors begins to experience age-related disability, our current long term care system will not be able to support this demographic shift." Hearing aids enable seniors to retain their independence and avoid other long-term care costs.
- In 1999, the National Council on the Aging (NCOA), in collaboration with the Hearing Industries Association (HIA), conducted the largest known study on the effects of untreated hearing loss among adults 55+ and their families. The study quantified both the negative results of untreated hearing loss and the positive impact of hearing instruments on an individual's quality of life. This research clearly associated hearing aids with impressive improvements in the social, emotional, psychological, and physical well-being of people with hearing loss in all hearing loss categories from mild to severe. Specifically, the data positively related hearing aid usage to the following quality of life issues. Hearing loss treatment was shown to improve: earning power, communication in relationships, intimacy and warmth in family relationships, ease in communication, emotional stability, sense of control over life events, perception of mental functioning, physical health and group social participation. And, just as important, hearing loss treatment was shown to reduce: discrimination toward the person with the hearing loss, hearing loss compensation behaviors (i.e., pretending you hear), anger and frustration in relationships, depression and depressive symptoms, feelings of paranoia, anxiety, social phobias, and self-criticism.

Distributed by M. Susan Good Geise for the Better Hearing Institute, Washington, DC.

## Hearing Aid Assistance Tax Credit Montana House Bill 299

### What would the Hearing Aid Assistance Tax Credit Act do?

- Provide a tax credit towards the purchase of each hearing aid of up to \$500 per hearing aid, available once every 5 years. It would be available to 1) individuals age 55 and over, or 2) those purchasing a hearing aid for a dependent.

### Why is this special tax treatment needed for hearing aids?

- Hearing aids are not covered under Medicare, or under the vast majority of state- mandated benefits. In fact, 71.4% of hearing aid purchases involve no third party payment, which places the entire burden of the purchase on the consumer.
- While 95% of individuals with hearing loss could benefit from hearing aids, only 23% (7.38 million Americans) currently use them, according to the most recent 'MarkeTrak' report, the largest national consumer survey on hearing loss in America, conducted by the Better Hearing Institute.
- Thirty-six percent of individuals with hearing loss have incomes of less than \$30,000 per year, and household incomes of individuals with untreated hearing loss are usually much lower than those of non-hearing impaired counterparts.
- Two out of three adults with hearing loss cite financial constraints as a core reason they do not use hearing aids.
- The average cost for a hearing aid in 2004 was \$1,800, including fitting, evaluation, and post-fitting treatment. Seventy percent of individuals with hearing loss require two devices, increasing average out of pocket expenses to \$3,600.

### What is the extent of the problem with hearing loss in the U.S.?

- Hearing loss is among the most prevalent birth defects in America, affecting 3 infants per 1,000 births. 1.4 million children under 18 have a hearing loss.
- For adults, hearing loss usually occurs gradually but increases dramatically with age. 10 million older Americans have age-related hearing loss.
- One of the goals of "Healthy People 2010," an HHS-led program, is to *"increase the number of deaf or hard-of-hearing people who use adaptive devices, such as hearing aids."* The Hearing Aid Tax Credit is the most cost-effective means to accomplish this goal.