

Bundled Hearing Aid Pricing: A Brief Tutorial

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Why Bundled Hearing Aid Pricing?

- This is the pricing model that has always existed in hearing aid dispensing.
- Prior to 1977, audiologists could not legally dispense hearing aids.
 - The evaluation and treatment services they provided were itemized/unbundled.
 - When they entered the marketplace, they followed the hearing aid dispenser model of bundled pricing.

Aspects of Bundled Hearing Aid Pricing

- Hearing aid evaluation
- Earmold impression, if required
- Electroacoustic evaluation of hearing aids, if done
- Hearing aid itself
- Fitting and orientation
- Dispensing fee
- Pre and post fit hearing aid verification, if performed
- Dome or custom earmold, if required
- Batteries
- Accessories, if provided
- Manufacturer warranty
- Loss and damage coverage
- Counseling and/or aural rehabilitation
- One year to lifetime of follow-up hearing aid office visits, checks, in-house repairs, and cleanings

Pros of Bundling for the Consumer

- The pricing model is easy to understand for the consumer.
 - The consumer receives unlimited services for a finite period of time..
- The consumer typically does not have to pay, upfront, for the hearing test and hearing aid evaluation, even if they do not opt to pursue amplification.
- As the consumer pays, at fitting, the costs of the evaluation, fitting and orientation, treatment, and long-term follow-up, there is continuity of care without worry of additional cost.
- Lower cost of trying amplification as restocking fees for refunds tend to be very low (due to the no cost evaluations).

Cons of Bundled Pricing for the Consumer

- Greater upfront total cost to the consumer.
 - The consumer could be paying for care they never utilize.
- Lack of portability of service.
 - The consumer has pre-paid for long-term service with a specific provider.
 - If the devices were proprietary locked, they are locked into service with a given provider or a provider who offers the same specific product line.
- Lack of price transparency.
 - The consumer does not know the difference between the price of the device and the price of the evaluation, fitting, treatment and long-term follow-up care.
- Lack of control of cost.
 - The consumer is forced into paying, upfront, for long-term care whether they want that care or not.
- Inconsistent with how private insurance handles hearing aid coverage.
- The consumer who purchases amplification is ultimately paying for the no charge evaluation services (audiogram and hearing aid evaluation) of those who do not purchase amplification.
- As it is not financially feasible providers to often accept insurance in a bundled model, consumers often have out of pocket, out of network costs.
- Itemization tends to force a higher level of care.
 - Consumers will not pay separately for a provider to “sell” them a device.

Data on Unbundling

- Because of provider fears of anti-competitive behavior, providers are wary to discuss pricing in open forums.
- Very little research and data exists on these delivery models.
 - There has also been confusion, in research, about the definition of the term “unbundled” versus “itemized”.
- Survey and anecdotal research, show that between 60-80% of current hearing aid dispensing practices only offer a bundled delivery model.
 - Corporate owned clinics are almost always bundled.
 - Private audiology practices are often the most commonly unbundled.

Unbundled Delivery Model

- Consumer receives a comprehensive diagnostic audiologic evaluation and communication needs assessment.
 - The consumer or their insurer would be responsible for the costs of these evaluations and there would be a fee, even if they did not opt to proceed with the purchase of amplification from the provider.
 - The consumer would receive a copy of this evaluation and plan of care/recommendations.
- If the consumer opts to receive amplification from the provider, the devices are ordered.
 - The consumer or their insurer would be responsible for the cost of earmold impressions, if required for the selected device.
- At the hearing aid fitting, the consumer or their insurer would be responsible for the costs of the dispensing, analysis, fitting, orientation, verification, aural rehabilitation, accessories, earmolds, batteries, and the devices themselves.
 - The costs, at this point, are less than if offered in a bundled model.
- If the hearing aids are returned, the consumer receives a refund, as allowed by state law, for the cost of the hearing aids and unused accessories or batteries.
- At the end of the evaluation and adjustment/trial period, the consumer can decide to pay for service as it is needed over time or they can purchase a service plan, that covers follow-up care for a fixed period of time.
 - Consumer only pays for the services needed when they are required.
 - The consumer determines how they want to receive long-term care and a service plan could be purchased at any point and from any provider.