

Why do hearing aids cost so much?
Hearing Aid Systems and PSAPs (Personal Sound Amplification Products)
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Some background: common estimates place the number of Americans age 45 and older with hearing loss at about 40 million. And this is predominantly a sensorineural loss (meaning inner ear nerve deterioration. No cure). This form of hearing loss is not medically treatable, so far. And hearing loss can be correlated with dementia, cognitive impairment, social isolation, balance and a host of other ailments.

Two general categories' of patients come to evaluate their hearing:
Group one is first timers. They come for a range of reasons including, “everyone around me mumbles”, “the TV is way too loud”, “I hate going to family parties and weddings”, “we avoid going to restaurants..”, and many more reasons.
Group two are experienced hearing aid wearers and come to find out “what’s new”, “has my hearing deteriorated?”, “my spouse and I cannot carry on a civil conversation”, “I’d like to try something new”..

The acceptance rate among first time users can be 15% to 20%. That means you must evaluate 15 to 20 people before you can successfully place a hearing aid system. Experienced hearing system users are more accepting with a slightly higher rate of placement. Then the issues usually shifts to cost-benefit.

PSAPS (Personal Sound Amplification Products) vs Hearing Aid Systems - are designed to be an alternative to fitted hearing aids. It is much like buying reader glasses vs getting fully evaluated by an eye care professional. In my experience, few people have a favorable experience with PSAPs. BUT, they can be better than nothing.

Hearing system costs may represent: 1/3 for the hearing aid itself, 1/3 for assessment and fitting services and 1/3 for customer services and practice management. We need to assess 15 or more folks in order to get one successful fitting. So in a sense, the one successful fitting margin must cover the costs for both the unsuccessful assessments and associated practice management.. As many as 85 of 100 folks are unsuccessful fits.

At NOVA, we tell people our prices range from \$0 to \$5800: \$0 for folks in financial distress with a significant hearing impairment; and we have available systems. Around \$5,800.00 is for the best possible technology and equipped with component accessories. I will add that the big name competition sells their top end hearing systems for as much as \$8000 or more.

OTC (Over-the-Counter) - The FDA's rationale for this new category of

over-the-counter hearing aids is to bring "new, innovative and lower-cost products to millions of consumers." Right now it's a concept, not a product. That hearing device you can buy for a few hundred dollars is typically a personal sound amplification device, or PSAP, and can only be marketed as a sound amplifier for people with mild to moderate hearing loss. An OTC hearing aid would likely do pretty much what a good PSAP already does, but with FDA approval. It would be a digital device, probably with directional microphones, Bluetooth and a telecoil, and presumably it would cost \$1,000 or less. An OTC hearing aid could be sold direct to the consumer, without the involvement of an audiologist or hearing aid dispenser. You can already do this with some online hearing aids, but often online retailers require an audiogram before they will dispense the product.

An OTC hearing aid would be subject to FDA safety and efficacy standards. Most consumer activists support this initiative as a way of getting people to correct their hearing loss. OTC hearing aids are not for people with severe hearing loss, single-sided hearing loss or hearing loss caused by other medical conditions.

The American Speech-Language-Hearing Association (ASHA), the trade group for speech-language pathologists and audiologists, supports these devices only for people with mild hearing loss. But Frank Lin, associate professor of otolaryngology at Johns Hopkins University in Baltimore, told a House subcommittee that the devices should also be available for those with moderate hearing loss. "From a clinical medical perspective there is no difference — it's on a natural continuum; people progress from mild to moderate," he said.

A recent study found that for those with mild to moderate hearing loss, hearing aids and OTC-like hearing devices are equally effective. Interestingly, what made the biggest difference in user satisfaction was the assistance of a fully trained audiologist or Hearing Instrument Specialist. Those study subjects whose devices were fitted by an audiologist/HIS were the most satisfied with their device, compared with a fully programmed hearing aid or a device with standard manufacturer-supplied programming.