

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
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- x The increased availability and diversity of lower-priced bundles of hearing aids and services for consumers for whom price or access to services is a barrier to acquisition and use of hearing aids.
- x The development and entry of remote and web-based ancillary tools for hearing aids.
- x Increased competition and innovation in legacy hearing aids, given a supply expansion for both lower-cost alternative hearing aids and new channels of distribution.

Some portion of the average price may be due to factors other than the cost of the hearing aids themselves, such as inefficient channels of distribution and diminished competition. For example, it has been reported that the U.S. Department of Veterans Affairs

The survey evidence also suggests that a quarter of hearing aid consumers never use a single follow-up appointment.⁶³

3. Search and Information Costs:

An additional barrier to access for consumers are high information costs or search costs. PCAST, the National Academies, and workshop participants all note a lack of transparency in hearing aids and hearing health care markets. Consumers have difficulty comparing between various models and varied bundles of hearing aid and ancillary services, such as hearing aid adjustments by audiologists.⁶⁵

Reducing bottlenecks to entry should enhance the supply expansion as new products and manufacturers enter the market, as they seem poised to do. At the FTC hearing, amplification devices being developed by large consumer electronics firms, including audio equipment manufacturers.⁷⁴ One participant noted the hearing aid functions incorporated into them . . . [that] can be sold at consumer prices while noting regulatory barriers that prevent firms from marketing such products to people with hearing loss.⁷⁵ Removing some of those barriers and reducing others should incent further development of such products. And while unregulated personal sound amplification devices of varying quality, several studies suggest that at least some currently marketed PSAPs can be beneficial for patients with mild or mild-to-moderate hearing loss.⁷⁶

New channels of distribution may be especially helpful for the development and marketing of new low-cost safe and effective hearing aids, not least because relatively low priced products may appeal to new hearing aid consumers who cannot afford the bundles of hearing aids and services that dominate traditional channels of distribution. In addition, such consumers may benefit from the provision of relatively low-cost follow-up services via internet or telephony, along the lines of the EARTH services the VA already provides to its audiology patients.⁷⁷

A supply expansion comprising both extant devices made more widely available and new devices may have wider competitive benefits still, as the presence of lower priced and more convenient alternatives could exert competitive pressure on legacy devices and established channels of distribution. Potential effects include lower prices for some legacy devices and increased availability of unbundled pricing (or more varied bundles). Without suggesting that any particular product-plus-services bundle is optimal for all hearing aid consumers,⁷⁹ where devices are established as safe and effective, competition within and across bundles and models of distribution may best meet the demands and budget constraints of varied health care consumers.

Streamlined and clarified regulations and more uniform national regulations should further serve to lower regulatory costs (and potential liability), expand supply, and, hence, to increase access. Along those lines, we note one specific aspect of the proposed regulatory simplification. Whereas most hearing aids are not, strictly speaking, prescription devices, extant regulations require that a prospective purchaser must either present to a dispenser (vendor) a signed statement of medical evaluation from a physician or, in the alternative, waive the medical evaluation requirement by signing a formal

[HEALTHHEARINGHEARBETTERSPOT!](#) The 2016 National Academies Report observed that the average retail price of a pair of hearing aids in 2013 was \$4,700 (in 2013 dollars). NASEM, supra note at 11. Similarly,

