An Economic Analysis of Hearing Aid Affordability in the United States Using Big Data

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Overview

- I. Context of affordability and accessibility in hearing healthcare
- II. Measuring affordability in healthcare
- III. Applications to hearing healthcare
- IV. Study aims
- V. Methods
- VI. Results
- VII. Conclusions and discussion

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Hearing loss as a global public health concern

- 1 billion affected worldwide by 20501
- 750 billion dollars of global economic burden²
- 1.6 billion people in the 65+ demographic by 2050³
- 83.7 million Americans 65+ by 20504
- 33% of those between 65 and 745
- 50% of those 75 and over⁵

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Efforts in affordability and accessibility

- National Institute on Deafness and Other Communication Disorders (NIDCD) working group (2009)⁶
- Patient Protection and Affordable Care Act (2010)⁷
- Medicare Access and CHIP Reauthorization Act (2015)⁸
- President's Council of Advisors on Science and Technology (2015)⁹
- National Academies of Sciences, Engineering, and Medicine (NASEM, 2016)¹⁰
- Food and Drug Reauthorization and Over-the-Counter (OTC) Hearing Aid Act (2017)¹¹

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Context of poor uptake and utilization

- Uptake rates
 - Great Britain—35%12
 - Australia—20%¹³
 - United States—14 to 33%14-15
- Utilization: up to 30% of owners never use their devices¹⁶⁻¹⁹
- *national healthcare programs provide hearing aids at no cost

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Jilla: An economic analysis of hearing aid affordability





General definitions of affordability

• Policy makers

- Can a household <u>afford</u> a minimum quantity of the underconsumed good?
- Is the good <u>foregone</u> because of an inability to pay?
- Economists
 - Does purchase of the good impose <u>unreasonable burden</u> on income?
 - Would the purchase cause the household to <u>fall under some</u> poverty or living standard?

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Healthcare definitions of affordability

• NASEM¹⁰

- Is the good $\underline{reasonably}$ priced based on consumer's $\underline{ability \ to}$ \underline{pay} (i.e., income)?
- World Health Organization (WHO)
 Is the cost of the good more than 3% of the per capita gross national product?²⁵⁻²⁶
- ~\$1740 in US in 2018 • Patient Protection and Affordable Care Act (2010)⁷ • Is the price of health insurance <u>>8%</u> of annual income?

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Economic big data Affordability analyses • Options are limited Income • Uncommon in developed countries • Expenditures on basic needs • Enter the work of Niëns and colleagues (2012)²⁷ (food, housing, etc.) • Catastrophic approach: purchase price as a proportion of •Healthcare expenditures annual income (e.g., 5%, 10%, 15%) ianes (insurance, drugs, etc.) Impoverishment approach • Pre-purchase and post-purchase prevalence of impoverishment Hearing aid expenditures • Difference of prevalence (degree of change) Combination approach

Application to hearing healthcare

American Community Survey (ACS)²⁸



- Income and demographics
- Hearing, vision, cognition, mobility, and self-care added in 2008 • "Is this person deaf or does he/she have serious difficulty hearing?"

AMERICAN COMMUNITY SURVEY

- · Self-report underestimates prevalence of hearing loss
- 3.5%²⁹, 5-9%³
- Representative sample of people with significant, self-reported hearing difficulty

Study aims

- To conduct catastrophic and impoverishment economic analyses using data from the ACS to determine what proportion of Americans ≥ 18 years old would face financial hardship as a result of the purchase
- To determine how affordability varies by price, self-reported hearing status, race, age, gender, geographic location, and educational attainment

Methods

- ACS 2016 data
- Catastrophic (3%*, 5%, and 10% of annual income)
- Impoverishment (1.0*, 1.3, and 1.5 times US Federal Poverty Level)
- Minimum acceptable quantity of the good = <u>one</u> hearing aid • Price points²³
- \$250, \$500 to \$3500 in \$500 increments
- \$2363 (overall average)*

*reference values

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Methods (continued)

Logistic regression

- Self-reported hearing problem (yes, no*)
- Gender (male*, female)
- Race (Asian, Black, Hispanic, White*, Mixed/Other)-mutually
- exclusive • Age (18 to 64 years*, 65 and over)
- Geographic region (Midwest, Northeast*, South, West)
- Educational attainment (less than high school diploma, high school graduate/GED, some college or vocational school, college or vocational degree, and graduate degree*)

*reference values

WARNING!

The results you are about to see...

- · Poverty for the year
- Thresholds must be cited
- One hearing aid
- · Hypothetical purchase



Results

- 2,348,374 respondents from the ACS (2016)
- 132,537 (5.6%) with self-reported hearing difficulty
- <u>6%</u> did not provide income data (Cohen's d)
 - More likely to be ages 18 to 25 (0.73)
 - Black (0.32)
 - Male (0.23)
 - Less than high school degree (0.25)



Catastrophic expense as % of <u>TOTAL</u>



Catastrophic expense as % of HI •Cat. 3% 100% Percent of Self-Report HI ●Cat. 5% 76% 70% 80% • Cat. 10% 62% 60% 40% 20% 15% 0% \$3,500 \$3,000 \$2,500 \$2,000 \$1,500 \$1,000 \$500 Price Point in US Dollars











Impoverishment (I_{post}) as % of <u>HI</u> **a** 30.0% 28.5% 25.0% g 25.0% 24.6% 23.6% 20.3% 20.0% 20.0% 16.6% te te 15.0% 13.4% 12.7% 00 10.0% \$2,363 \$250 ←1.0 FPL ←1.3 FPL ←1.5 FPL



Catastrophic Results (\$2,363)						
	Hearing Problem	Age	Gender	Race	Education	Geographic Region
	No 	18 to 64	Male 	White	Grad. Degree	Northeast
	Yes OR = 1.345***	65+ OR = 1.878***	Female OR = 1.225***	Black OR = 1.799***	Bach. Degree OR = 1.701***	Midwest OR = 1.388***
				Asian OR = 0.849***	Some college OR = 3.805***	West OR = 1.162***
				Hispanic OR = 1.552***	HS/GED OR = 5.368***	South OR = 1.363***
				Other/Mixed OR = 1.429***	Less than HS OR = 8.787***	
	*** p<0.01	3% annual income				
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lm	mpoverishment Results (\$2,363)					
	Hearing Problem	Age	Gender	Race	Education	Geographic Region
	No 	18 to 64 	Male 	White	Grad. Degree	Northeast
	Yes OR = 1.255***	65+ OR = 0.732***	Female OR = 1.355***	Black OR = 2.017***	Bach. Degree OR = 1.681***	Midwest OR = 1.097***
				Asian OR = 1.237***	Some college OR = 4.113***	West OR = 1.172***
				Hispanic OR = 1.473***	HS/GED OR = 5.381***	South OR = 1.203***
				Other/Mixed OR = 1.871***	Less than HS OR = 11.272***	
	*** p<0.01	1.0 FPL				
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Impoverishment Results (\$250)

	Hearing Problem	Age	Gender	Race	Education	Geographic Region
	No 	18 to 64 	Male 	White	Grad. Degree	Northeast
	Yes OR = 1.219***	65+ OR = 0.633***	Female OR = 1.348***	Black OR = 2.013***	Bach. Degree OR = 1.643***	Midwest OR = 1.085***
				Asian OR = 1.260***	Some college OR = 3.987***	West OR = 1.172***
				Hispanic OR = 1.472***	HS/GED OR = 5.078***	South OR = 1.187***
				Other/Mixed OR = 1.890***	Less than HS OR = 10.780***	
	*** p<0.01	1.0 FPL				
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Catastrophic Results (\$2363) HI ONLY

Age	Gender	Race	Education	Geographic Region
18 to 64 	Male 	White	Grad. Degree	Northeast
65+ OR = 1.629***	Female OR = 1.339***	Black OR = 1.465***	Bach. Degree OR = 1.565***	Midwest OR = 1.395***
		Asian OR = 0.495***	Some college OR = 3.420***	West OR = 1.048**
		Hispanic OR = 1.171***	HS/GED OR = 4.879***	South OR = 1.245***
		Other/Mixed OR = 1.507***	Less than HS OR = 8.055***	
*** p<0.01	** p<0.05			
		.lilla 2018		33

Impoverishment Results (\$2363) HI ONLY

Age	Gender	Race	Education	Geographic Region
18 to 64 	Male 	White	Grad. Degree	Northeast
65+ OR = 0.571***	Female OR = 1.709***	Black OR = 1.999***	Bach. Degree OR = 1.253***	Midwest OR = 1.045
		Asian OR = 1.306***	Some college OR = 2.358***	West OR = 1.076***
		Hispanic OR = 1.550***	HS/GED OR = 3.182***	South OR = 1.199***
		Other/Mixed OR = 1.991***	Less than HS OR = 6.578***	
*** p<0.01				
		Jilla 2018		34

Limitations (Underestimations)

- Self-reported hearing loss prevalence in the ACS is low
- One hearing aid, not two
- Missing income data from groups that earn lower income on average (i.e., younger, black, less than a high school degree)

Discussion & Conclusions

- WHO (3%, catastrophic, \$2363)
- 61% of all Americans 68% of HI Choice of threshold (10%)
- 20% of all Americans 25% of HI
- Comparisons of prevalence
 Hearing loss (~13%)
 Type 2 diabetes (~10%)
- · Groups at highest risk Age, race, educational attainment
- Future use to inform policy for insurance coverage, third-party payers, and product development in hearing healthcare
- Implications for patient-centered care

Future research

Willingness to pay & predictors of willingness to pay

- Hearing aids
- OTC devices
- · Hearing aid services

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<u>Outline</u>

- I. Context of affordability and accessibility in hearing healthcare
- II. Measuring affordability in healthcare
- III. Application to hearing healthcare
 - A. Hearing, vision, cognition, mobility, self-care added to ACS in 2008
 - B. "Is this person deaf or does he/she have serious difficulty hearing?" (yes/no)

IV. Study aims

- A. Catastrophic and impoverishment economic analyses of Americans ≥ 18 years old using the ACS 2016 data
- B. Price, self-reported hearing status, race, age, gender, geographic location, and educational attainment

V. Methods (Niëns et al, 2012)

- A. Catastrophic (3%*, 5%, 10% of annual income)
- B. Impoverishment (1.0*, 1.3, 1.5 times the US federal poverty level)

VI. Results

- A. Descriptives
 - Catastrophic (3%)—At a current average selling price of \$2363, 61% of Americans would experience a catastrophic medical expense if forced to purchase one hearing aid. Among those with self-reported hearing impairment, 68% would experience financial catastrophe.
 - 2. Impoverishment (1.0 US FPL)—2.3% of Americans would enter impoverishment for the year as a result of hearing aid purchase. 3.9% of Americans with self-reported hearing loss would fall below the poverty level for the year if forced to purchase one hearing aid. These numbers are in addition to those already at the poverty level (11.8% and 12.7% overall and among hearing impaired, respectively).

B. Logistic regression

- 1. Those with hearing impairment were consistently at higher risk for hearing aid affordability issues, regardless of analysis or price point, type of analysis, or threshold of unreasonable burden.
- 2. Catastrophic—At an average selling price of \$2363, African-Americans and those 65 and older are at a 1.8 and 1.9 fold risk for experiencing catastrophic expenditure, respectively. Educational attainment revealed the largest disparities for those not having a college degree at a 3 to 9 fold risk for affordability issues (ORs: less than high school = 8.8, HS/GED = 5.4, some college = 3.8).
- 3. Impoverishment—Those younger than 65 were at higher risk of impoverishment, regardless of price point. The largest disparities were among African-Americans (OR=2.0) and those with less than a college degree (ORs: less than high school = 11.3, HS/GED = 5.4, some college = 4.1).
- VII. Conclusions and discussion

REMINDERS:

- Cite your thresholds
- Poverty for the year
- One hearing aid
- Hypothetical purchase

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