Current Approaches to Hearing Health Care Delivery

International perspective

Nikolai Bisgaard
EHIMA (GN Resound as)
13 January 2013
1. Intro Nikolai Bisgaard & EHIMA
2. World market hearing aids
3. Hearing aid coverage
4. European delivery models and analysis
5. Future perspectives
Nikolai Bisgaard

- M.Sc.EE (1976) Psychoacoustics
- Employed in Hearing Industry (1978)
- First project: Digital hearing aid (1980)
- VP IPR & Industry relations (2000 – )
European Hearing Instrument Manufacturer Association (EHIMA)

6 leading hearing aid manufacturers providing over 85% of all hearing aids worldwide.
EHIMA organization

EHIMA AISBL
Board: 6 CEO’s
Secr. Gen.  Soren Hougaard

Technical Committee
Secr. Marcel Vlaming
Chair:  T. Olsgaard

Market Dev. Committee
Secr. Soren Hougaard
Chair:  N. Bisgaard

Registered in Brussels

Hear-it Website
www.hear-it.org
World Market for Hearing Aids

Growth: 2 % p.a.  
Total Revenues: $ 5 Bill. (Wholesale)

North America: 3,3 mio. units  
Europe: 4,6 mio. units  
The Rest: 0,8 mio. units  
APAC: 2,0 mio. units

Source: EHIMA
How do you get from the number of hearing aids sold per year to coverage of hearing impaired people?

Apart from unit sales objective data is generally not available.

Important parameters are:
- What percentage of the population has a hearing loss?
- Bilateral provision % – How many use two hearing aids?
- How long do people keep their hearing aids?
Calculating coverage

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Coverage of Impaired population = \( \frac{\text{People using hearing aids}}{\text{Impaired population}} \)
Coverage

Coverage - Percentage of Impaired Population owning Hearing Aids

Europe (EU) | USA | Japan | Russia | China | India
Hearing care comes with higher standards of living

Coverage vs. GDP/Capita

R² = 0.98

GDP/Capita $
Europe is not one country!

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<td>Europe Total</td>
<td>513.8</td>
<td>417.1</td>
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<td>64%</td>
<td>2.565,3</td>
<td>12.826,6</td>
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</table>
Europe is not one country!

Coverage in Europe - Percentage of Impaired Population owning Hearing Aids

0% 10% 20% 30% 40% 50% 60%

UK, Denmark, Sweden, Norway, Germany, Ireland, France, Austria, Slovenia, Finland, Belgium, Italy, Switzerland, Hungary, Portugal, Spain, Malta, Bulgaria, Estonia, Poland, Czech Rep, Latvia, Greece, Slovakia, Romania.
4 groups

- > 30% coverage
- 15 - 20% coverage
- ~ 10%
- < 10% coverage
- Not Europe

Map showing the distribution of coverage across Europe with different shades indicating the percentage coverage.
Why the differences?

- Coverage varies due to several factors:
  - General Standard of living
  - Subsidy level
  - Accessibility
  - Historical development
4 Hearing Care Delivery models

Coverage

- > 30 %: Northwestern: (UK, NL, DK, N, S, SF)
- 15 - 20 %: Central European: (D, F, CH, A)
- ~ 10 %: South European: (ES, PT, I)
- < 10 %: East European: (PL, CZ, SLO, RO, Baltic, Balkan, GR)

Delivery models differ in several aspects:
- Subsidy levels
- Accessibility
- Governance
Northwestern Model
(UK, NL, DK, N, S, SF)

- Strong support from public health care system:
  - Public hospitals with audiology departments offering free hearing aids of good quality for all citizens with recognized hearing loss.
  - Private dispensing exists alongside and provides 10 to 50% of total units.
    - UK – private payment, DK – voucher for private dispensers
    - NL 75% refund by public health care in private dispensers
  - Governance: Referral from ENT for collection of refund/voucher
Central European Model  15–20 %
(D, F, B, CH, A)

- Insurance based system – some public support
  - Private dispensing with high accessibility
  - Partial coverage of cost by mandatory health insurance policies – 10–20 % of top level hearing aid
  - Governance: ENT doctors diagnose, refer and verify results for release of insurance money.
South European Model ~ 10% (ES, PT, I)

- Private payment – minimal public support
  - Private dispensing with decent accessibility
  - Partial public coverage of cost for seriously exposed groups
  - Governance: ENT doctors diagnose and refer patients
East European Model  < 10 %
(PL, RO, H, CZ etc)

- Private payment – no public support
  - Private dispensing with low accessibility
  - Some coverage of cost for seriously exposed groups
  - Governance: Varies from none to ENT referral system
Setting standards for hearing aid fitting

French initiative in 2007 to create a standard for: "Services offered by Hearing Aid professionals"

Adopted in 2010, the EN 15927 standard sets forth requirements for the following aspects of hearing aid fitting:

- Education
- Facilities
- Equipment
- Fitting process
- Quality management system

The scope is all typical age related losses acknowledging that children, cochlear implants and multiple handicaps require further efforts.
Europe is not one country!

Coverage in Europe - Percentage of Impaired Population owning Hearing Aids
The GDP dimension

Coverage of Imp. Pop. vs GDP/Capita

GDP per Capita $ (IMF 2012)

Coverage

-0% 0% 5% 10% 15% 20% 25% 30% 35% 40% 45% 50% 55% 60%

- 10,000 20,000 30,000 40,000 50,000 60,000 70,000 80,000 90,000 100,000

R² = 0.6466

BU H ES F B A, IRE GR CH DK UK S NL N
Adding distribution models

Coverage of Imp. Pop. vs GDP/Capita

- Coverage
- GDP per Capita $ (IMF 2012)

- R² = 0.6466

- Countries: NL, DK, UK, S
Adding distribution models

Coverage of Imp. Pop. vs GDP/Capita

R² = 0.6466

Coverage

USA

GDP per Capita $ (IMF 2012)
How about subsidies?

- 6 levels ranging from 0 to 100 %

Coverage vs. Subsidy level
Case story Denmark

- Denmark introduced free hearing aids for anyone in need in 1960 provided by audiology clinics at public hospitals
- Each clinic had a wide choice of products from suppliers approved at bi-annual tenders
- The coverage in 2000 was among the best in the world – around 25%
- Waiting lists for the 18 clinics were normally from 3 – 8 months

- In 2001 a new system opened up for a private dispensing
  - Voucher for fitting in private shop instead of hospital clinic
  - Voucher value allowed a good basic hearing aid
  - The client could choose to upgrade to more advanced products for private payment

- Many private dispensers were established
  - Considerable drain of staff from public clinics – waiting time increased
  - High media exposure – advertising in newspapers & TV
Denmark cont’d

Development in Hearing Aid sales per Channel in DK

+ 80 %

Private
Public
Total

HA*1000

Denmark cont’d

Public clinic

Private clinic
Conclusions

- Hearing aid coverage is basically a function of standard of living

- Subsidies clearly increase coverage
  - In particular when the subsidy fully covers a decent hearing aid

- Accessibility & visibility increase coverage
Future outlook

- High pressure on social costs due to aging population
- Hearing aids are getting better every year
  - A higher proportion of the hearing impaired population will be inclined to acquire hearing aids
- Reductions in subsidies and increased price pressure
- Differentiated service packages
- People better get ready to pay part of it themselves
Back up slides
Year of Purchase of Current Hearing Aid

Age of currently owned HAs (Mean):
2012: 2.5 years

© Anovum 2012 - EuroTrak France 2012
How about subsidies?

- 6 levels ranging from 0 to 100%
What is going on here?

**POS per 100.000 Hearing impaired**

- DK: 35
- S: 14
- UK: 9
- N: 12
- SF: 9

- More likely it is because Finland more recently adopted free hearing care