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OPINION | REVIEW & OUTLOOK

## *Biden Listened on Hearing Aids*

Deregulating the market will spur competition and reduce prices.

By [The Editorial Board](#)

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Senator Elizabeth Warren talks about changes in law that will allow pharmacists to sell some hearing aids over the counter in Urbandale, Iowa, Dec. 28, 2019.

PHOTO: JACK KURTZ/ZUMA PRESS

There aren't many things that President Biden, Senator Elizabeth Warren and Donald Trump agree on, but here's one: Breaking down regulatory barriers to competition in hearing aids.

President Biden's executive order on Friday instructed the Health and Human Services Secretary to expedite a rule-making that will allow Americans to purchase hearing aids over the counter rather than by prescription. That's the same way you can buy reading glasses. The goal is to open up the industry—the four largest manufacturers control 84% of the market—to more competition and thus reduce prices.

As Mr. Biden's order noted, a pair of hearing aids can cost about \$5,000 and isn't covered by Medicare or most private insurers. One result is that some 40 million Americans with hearing loss don't use hearing aids. People can buy less expensive personal sound

amplification products (PSAPs) without prescriptions, but they aren't as effective or adjustable.

The hearing-aid oligopoly and a cartel of medical professionals have long fought direct-to-consumer sales. Note that the actual hearing-aid accounts for only about a third of what consumers pay. Licensed audiologists often contract with two or three manufacturers and then bundle the cost of the device with other fees and services.

In 2019 the average retail price for a hearing aid was \$2,284 compared to the \$774 wholesale cost of the device. Requiring prescriptions for hearing aids boosts margins of medical specialists. Allowing the devices to be purchased over the counter will expand the consumer market and encourage more competition in manufacturing, thereby driving down the wholesale price of devices too.

Mr. Biden deserves credit for pushing this boulder up the bureaucratic hill, though Congress already did the heavy-lifting. In 2017 President Trump signed bipartisan legislation co-sponsored by Ms. Warren and Iowa Sen. Chuck Grassley that directed the Food and Drug Administration to establish standards by August 2020 so hearing aids could be sold over the counter.

Four-years on, the rules still aren't done, and President Biden as usual blames the Trump Administration. It's more complicated. Technology has rapidly evolved due to artificial intelligence and connectivity in wearable devices. Regulations need to account for these developments so they aren't outdated by the time they're published.

Industry sources expect the FDA to complete the rule-making sometime next year. Meantime, Democrats are pushing to require Medicare to cover hearing aids in their next multi-trillion-dollar spending bill (see nearby). This will appeal politically to seniors, but it will surely also distort and inflate prices, as Medicare does with drug and hospital prices.

Stick with the deregulation, Mr. President, and the price of hearing aids will fall far and fast enough that a subsidy isn't needed.

